DOMINION OF CANADA

OFFICIAL REPORT

OF

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HOUSE OF COMMONS

FIFTH SESSION—SEVENTEENTH PARLIAMENT

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HOUSE OF COMMONS

DEBATES

OF THE

OFFICIAL REPORT

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House of Commons Debates

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Friday, March 2, 1934

The house met at three o'clock.

BUSINESS OF THE HOUSE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I notice that at adjournment last night the Prime Minister (Mr. Bennett) said that he understood there was an arrangement that we should continue to-day with the debate on Bill No. 4, respecting the bureau for translations, after which we would take up the bill to incorporate the Bank of Canada. The arrangement to which my right hon. friend referred is possibly one which he may have had with his own Secretary of State (Mr. Cahan), but as I understand it, there has been no arrangement between the two sides of the house. In connection with the bill to incorporate the Bank of Canada I did tell the Minister of Finance (Mr. Rhodes) that if it were agreeable we would be prepared to proceed this afternoon, but nothing was said with respect to the other legislation.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the right hon. gentleman is quite right. When I indicated that Bill No. 4 would be taken up, I did so because it had been discussed previously and given precedence in the early part of the week. As I indicated, I thought it was the understanding that it would be proceeded with again to-day. The right hon. gentleman is quite correct in saying that there was no arrangement with the opposition to this effect. I understand that he will not be here on Monday and possibly on Tuesday, and it is not probable that I shall be here on one of those days. If he desires, the Bank of Canada bill can stand until Thursday. We could then proceed this afternoon with the discussion as indicated last night. I do not think we could take a division to-night as so many members are away, but possibly at nine o'clock or before we could take up some items in supply. I desire to suit the convenience of the right hon. gentleman.

Mr. MACKENZIE KING: The translations bill is one which affects in a very special way hon. members from the province of Quebec. My right hon. friend knows that Friday is not a very good day for the discussion of measures which affect particularly members from that province. I think there is a recognition of that fact between the different sides of the house. For this reason it was a bit of a surprise to us to find that this particular bill was mentioned for discussion to-day. I think it would meet with the approval of hon. members on this side of the house if it could stand over, but we leave ourselves in the hands of the government. As to the bill to incorporate the Bank of Canada, if it is agreeable to hon. members in other parts of the house to proceed at once, we are quite ready to do so. If not, I think perhaps it would be advisable that it should not come up on a day when the Prime Minister and I, myself, might both be away, although it is not absolutely necessary that it should not. However, I would prefer to be here.

Mr. BENNETT: We desire to accommodate ourselves to the wishes of the house in a matter of this kind. Perhaps the same consideration would obtain with respect to the Bank of Canada bill as with respect to the translations bill, as I understand an amendment is to be moved to the former. Under the circumstances, we would prefer not to proceed to-day. Might I suggest that we go on with the translations bill until six o'clock and not proceed further. One hon. gentleman is in the middle of his speech and I notice others present who are vitally affected.

Mr. MACKENZIE KING: I thank the Prime Minister for endeavouring to accommodate us, but perhaps it would be better if it were understood that we proceed with the translations bill until such time as it may be desirable to adjourn.

Mr. BENNETT: We will do that if it meets with the approval of the house. We

shall proceed with Bill No. 4 until such time as the debate may be adjourned and then take up an item in supply.

BUREAU FOR TRANSLATIONS

The house resumed from Tuesday, February 27, consideration of the motion of Mr. Cahan for the second reading of Bill No. 4, respecting the bureau for translations, and the proposed amendment thereto of Mr. Chevrier.

Mr. GEORGES BOUCHARD (Kamouraska): Mr. Speaker, when the house adjourned on Tuesday last I was endeavouring to indicate the sound fundamentals of the French language. The pride which I take in my mother tongue must be qualified by the fact that certain impurities have crept into the language of educated people, due to environment, to hardships, to the mingling of English and French forms of expression and to the introduction of commercial and professional phrases and colloquialisms. This makes it very necessary to maintain a high standard of perfection in the translation of French into English and English into French. If translation were only the mere substitution of a word from one language into another, then perhaps in our craze for economy we might have a machine with a finger-board so arranged as to produce a French word as one touched the corresponding English word, just as we have the adding machine for accountants. But, Mr. Speaker, translation is a much more difficult task than that. I would invite this house to consider this fact, that even a highly-qualified bilingual man is not necessarily a good translator. I should hesitate myself, with the knowledge I have of the French language, to undertake the translation of my own speeches; and perhaps, if the hon. member for Labelle (Mr. Bourassa) would himself try it, with his long experience, he would at times find it a very arduous undertaking.

In an address over the radio under the auspices of the Professional Institute of the Civil Service, Monsieur Pierre Daviault, a learned translator and a well known author, said last year:

To translate is not to substitute words to other words. To the translator the text is merely the author's thought in its rough state that he must fashion into words. It is incumbent on him to shape it into a form which will make it convey its full meaning. The translator's task is nothing short of a literary essay, and to translate presents all the difficulties inherent to the essay, but is even more difficult. Translation is not the expression of one's thought, which is familiar and always present to one's mind. The translator must assimilate a thought that is not his own, a frame of mind and the shades of thought of another. Besides, he has to be imbued with the author's style, because the translation must preserve the original tone.

I quote another paragraph from the same lecture:

What could not be said of the traps laid by the vocabulary! There are no perfect equivalents between two languages. "From one language to another," wrote Albert Dauzat in la Philosophie du Langage, "there is no equivalence in the means of expression and a strictly adequate translation of a conversation or of a literary work can hardly be conceived. The number of ideas that may be expressed by a word varies from one language to another and the mutual associations created by a common term are so close that the evocation of one almost invariably infers that of another idiomatically different: the result will be an alteration of the notion, imperceptible perhaps, but not less certain. . . ."

And towards the close of his address he said:

The technical vocabulary with its innumerable, varied and changing words is a constant cause of concern to the translator. There is no dictionary which embodies all its modifications. Only by reading scientific works written in both languages is it possible, by means of comparison, to complete a lexicon. It is an arduous, patient and difficult task!

It must be noted that dictionaries are only of a limited help to the translator, although he must have them.

Now, in confirmation of that, I will quote from a report which was prepared on behalf of the translation staff by a learned translator, a very distinguished author, a man who stands very high in the literary world, and one who is to-day president of the Royal Society of Canada, the chief translator of debates, Monsieur Leon Gerin. Referring more particularly to the translation of debates, he said:

The work of the translators of debates may be aptly described: expert translation and editing, in reference to a wide range of subjects, many of them technical. As man's activities are incessant and constantly changing in their aims and means, so language is ever undergoing alterations in form and substance. Dictionaries, encyclopaedias and special works are soon out of date when it comes to translating the debates of parliament. For instance, this great world war has had the effect of introducing into our common parlance, and more so in the parliamentary debates, a number of new terms and expressions. Under such conditions, the translator is bound to launch out on his own account, and build his own modern and technical card-index vocabulary through the perusal of the most recent books, periodicals, etc.

To conclude this little dissertation on translation, I would just refer you, Mr. Speaker, to a very small work the author of which is well known to us all—"On Translation" by Hilaire Belloc. The author, on the opening page of his book, says:

The art of translation is a subsidiary art, and derivative. On this account it has never been granted the dignity of original work, and has suffered too much in the general judgment of letters. This natural under-estimation of its value has had the bad practical effect of lowering the standard demanded, and in some periods has almost destroyed the art altogether. The corresponding misunderstanding of its character has added to its degradation: neither its importance nor its difficulty has been grasped.

Writing men work in part for fame. Nearly all of those with any pretensions to write well —that is, to write as writing should be—take fame for a large part of their incentive; some, perhaps among the greatest, have the attainment of fame for their whole motive. If, therefore, in any department of writing it be impossible to attain fame, that department will presumably be neglected.

I am sorry my time is nearly up, but perhaps I can summarize the conclusions that may be drawn from what I have quoted. One is outstanding, namely, that translating is something not easy of accomplishment, and in order to maintain an efficient staff of translators they should not lose their personality by being merged in a big office, nor should they be deprived of the stimulus of desire for fame and for promotion. Moreover, unless a translator keeps in close touch with the department for which he works, he will soon lose sight of the realities which are essential to the complete fulfilment of his task. One of our greatest social evils to-day in our highly specialized and centralized world is that the labourer has lost pride in his work, because he never sees the finished product credited to him in particular. He is a number in a mass of men too often enslaved by machinery. If this excess of concentration is now an evil for the manual worker, how much greater an evil is it for those entrusted with so subtle an art as translation? The minister says, for instance, that for the sake of economy—

Mr. SPEAKER: The hon. member has spoken for forty minutes.

Mr. L. DUBOIS (Nicolet) (Translation): Mr. Speaker, it may, perhaps, be thought that I am somewhat out of my element in taking part in a debate which pertains more to the sphere of legal men. Like my good friend the hon. member for Labelle (Mr. Bourassa), I have not the privilege of being a lawyer. However, I have the honour of representing a rural constituency which is interested in having translation done efficiently. Our farmers often require publications which pertain to branches or divisions such as those of the dairy industry, seed grain, livestock, eggs, poultry, fruit, vegetables and markets, etc., I, therefore, feel authorized to express my views on the present bill which is being discussed by the house. I shall do so without wounding the feelings of any one so that I rely on the good will of my hon. colleagues. It might perhaps be that in the course of my remarks, I may not quite agree with the hon. Secretary of State (Mr. Cahan), I may also cause him some regret, although I have had, for a long time, much esteem for him. Shall I wound the susceptibility of the hon. member for Labelle? However, inwardly, I feel the necessity of expressing my views on this bill. I frankly confess that it is one of the few occasions that I find it difficult to fulfil my duty.

Before broaching the subject matter under discussion and seeing that it is the first time that I have the opportunity of addressing the house, this session, I wish to strongly protest against the statement made by the hon. member for Compton (Mr. Gobeil) with reference to the university of Montreal. I regret that such an unfortunate statement should have fallen from the lips of one of my fellow farmers. Because, we, who belong to the soil, have long understood the importance of an education for our people and, especially, the importance of our universities. Again, I state that I regret that my hon. friend used such insulting words towards this institution which has rendered, is rendering and will, in the future, render great services to the farming class.

Bill No. 4, which we are asked to consider has for its object: first, efficiency in the translation of the various documents of this house and governmental departments; secondly, to economize. In perusing the bill, I asked myself: Who prompted this measure? Who invented this new system? In what surrounding was this bill concocted?

There was an inquiry held in December, 1932, by a committee of representatives of the various departments who studied a number of questions dealing with a more efficient control of the expenditure of the administration. The committee was composed of Messrs. Watson Sellar, Roberts, Cook, Coolican, etc. They represented the various departments. I eagerly read the report of this committee. After sitting for quite a time the committee came to the following conclusion. All the high officials who were members of this committee, all without exception, most strongly opposed any scheme of centralization. Two principal reasons were given: First, the inconvenience which would result in the efficient administration of departments; secondly, the necessity of having in departments a bureau for translation where, without delay and fear

of indiscretion, correspondence and confidential documents would continue to be well translated.

Moreover, in the report of the committee making the inquiry, under the chairmanship of Mr. Sellar, one may find in section 21, the following comments and findings:

The committee has received no complaints concerning the quality of the matter translated. They found that decentralization is general in all departments. This system was adopted following the investigation made on this question, in 1910, after the report of Mr. Achille Frechette, who, on an order of Internal Economy Committee of the House of Commons, visited Belgium and Switzerland to observe the systems in those countries. According to the information furnished to the committee, the departments are, in general, in favour of maintaining the statu quo.

I need not state, sir, that it is unnecessary to insist on the importance of such findings. If the present system is not perfect, if it requires timely improvements, there seems to be only one conclusion which we can arrive at from the impartial findings of the committee: the condemnation, without appeal, of the desire for centralization. Two persons were also consulted with reference to this bill No. 4, Mr. Bland and Mr. Beauchesne, however, their suggestions are considered as confidential. I wonder whether it is owing to such suggestions that the hon. Secretary of State thought fit to propose the centralization of translation?

I can almost assert, without gainsay, that Bill No. 4 did not take birth in the brains of the hon. Secretary of State. I think there exist hidden instigators who are the authors of this act. It is, to say the least, most untimely. It strikes me that the house at present has enough serious and important questions to settle without having to raise a discussion on such a controversial subject as that of translation. I am willing to believe that the hon. Secretary of State, who has accepted the sponsorship of this bill, is well intentioned. He has perhaps in mind the efficiency of translation and economy of public moneys. However, I am bound to state, from a farmer's viewpoint, that this gilded piece of legislation tells me nothing. I rather feel perplexed. I have my doubts as to the efficiency of the measure we are asked to approve. To prove this, I shall examine the two reasons invoked to induce us to support bill No. 4.

The hon. Secretary of State contends in his explanatory notes:

It is desirable in the interest of efficiency and economy that it should now be organized and the work of translating so distributed that no translator shall be idle or overworked, underpaid or overpaid.

[Mr. Dubois.]

This viewpoint was discussed with wit and pertinently by the hon. member for Ottawa (Mr. Chevrier). The economic question was also discussed in a masterly way by my hon. friend. I regret that the hon. member for Labelle (Mr. Bourassa) thought fit to express entirely opposite views from those held by the hon. member for Ottawa. The hon. member for Labelle is better qualified than I am to speak in this house. I have nothing to teach him. However, I represent the county of Nicolet while he represents the county of Labelle. Notwithstanding all the esteem and regard I have for him, I deem it my duty to openly and clearly express my views on this legislation. I regret to disagree with him; I more so regret it because he was one of those who exerted the strongest influence over my youthful ideas and fired my enthusiasm of twenty years ago. I thought I could as a young member look to him as a guide for future years; however, there is too much incoherence in his way of looking at this bill to induce me to place any trust in the statements he made the other day here in the house, and to accept his principles. I hope he will not bear me any grudge. He is broadminded and his heart is in the right place. He will forgive me for having my elbow room with him. The hon. member for Labelle endorsed what he considered the efficiency of bill No. 4.

May I, sir, submit to the consideration of the house an excerpt which an eminent journalist wrote recently:

Translating is not commonplace, a task; or an easy one to perform. To succeed one must have a sufficient knowledge of one language to be certain of the sense and the exact meaning of the text; one must also have a sufficient knowledge of another language to be certain of transcribing in a clear and precise way, with new expressions, this sense clearly unravelled. All those who have tried their hand recognize that it is a difficult task, even if it be an ordinary text which deals with current events. One may perfectly understand in reading, the sense of a document without being able to translate it properly in one's own language.

When it is a question of a technical subject, the problem, often, becomes extremely difficult. An entirely new vocabulary must be acquired and infinite details must be verified. With the decentralization system, which assigns a few translators to such and such a department, you have there individuals who have a particular interest in studying the vocabulary of their specialty. Bye and bye, that goes without saying, they will be in a position to perform their task in a shorter time and with less difficulty. It becomes a real hobby among a number of them. They collect dictionaries and technical reviews and when they make some discovery, it is classified on cards. It is an acquired wealth which will become useful in the future. This desire of always wanting to

improve was even responsible for the founding of a society which endeavours to improve the technological vocabulary.

If this organization is destroyed, if the translations are placed in one large office where all will be required, at times, to translate any kind of translation, is it not to be feared that this desire to improve will be sapped at its very foundation?

As matters stand, the translator in the Mines branch may hope to master the vocabulary of that industry. This is not out of reach of an intelligent man, possessing a general and proper preparation. He is aware that once he has attained this goal, his work will become easier, and at the same time, much improved. If he is placed in a large office, will he be able, will he even attempt to acquire this ability? He will have to become specialized in all subjects: that is impossible, and he will not put his heart in a task which is above human attainment.

The final result will be the grouping of persons who will have a superficial knowledge but, on the whole, no thorough knowledge of any subject. We mentioned "final" because centralization, if it decreases the desire and means of improving, will not deprive the present specialists of their worth and we can foresee that their help will be continuously in demand. Why then drag them away from the surroundings where they are in the habit of working, where they are given all the means to improve, and further increase their worth.

The specialization of translators would, in a short time, disappear. It could hardly maintain itself until the retirement or disappearance of the present generation of specialized translators.

It is not necessary to be well informed to understand that a translator who is in the habit of translating in the Department of Agriculture, who has specialized on such subjects as, seeding, aviculture or various chemical fertilizers, cannot become an expert if he is transferred to the Mines branch or Engineering branch.

The hon. member for Labelle complained, the other day, that in translation bureaus a number of employees do not work continuously. He even stated to support his arguments, that such a translator had translated 149 pages in a year, while another, during the same period, had translated a thousand and a few pages, etc.

I wish to first state that the figures he quoted do not appear to me to be correct. I am anxious to see the report of the committee which is to inquire as to the practical application of this bill. I even feel convinced that certain figures were falsified, not by the hon. member for Labelle, because, to my mind he is a very conscientious man, but by those who supplied him with such figures. I find the proof in this fact: that the person who was able to translate 1,076 pages, in one year, is an employee of the Bureau of Statistics, Department of Trade and Commerce. It is unfair to compare the work of a translator in the Bureau of Statistics with a translator of the Mines branch. The former is often called upon to translate but figures, and figures whether in English or French are similar. One need not be very clever to know that tariff items, from No. 1 to No. 1,200, are translated in English by 1 to 1,200, without even having to look up the dictionary. While the translator employed in the Mines branch must make use of technical terms; his work is far more complicated and difficult, often he has to make researches. Furthermore, I shall again avail myself of an argument of the hon. member for Labelle: Did he not state, himself, that when he translated his speeches, he, at times, pondered two hours on one term to find the corresponding word? How do we know that the translators of the various departments are not obliged to devote sometimes two hours per day, to translate the exact meaning of a text? What happens when it is a case of translating documents of a constitutional order, constitutional law or international law? The translator must make researches, pore, hour after hour, over dictionaries so as to find out the thought of the author before translating it. And we expect that the translator, who is obliged to carry out long and careful researches to translate the thought of an author from the text which he is given, will translate the same number of pages as the one who has but figures to translate? That would be unfair.

I think that if we centralize translation, translation will suffer by it, because we smother individual effort. Although that is not the object of the hon. Secretary of State, since he denies that he intends to interfere with the translation of documents; we cannot, however, simply take the word of the hon. Secretary of State on this matter. If his statement was embodied in bill No. 4; if the interpretation given by the hon. member for Labelle was inserted in the bill, I would feel less skeptic and probably support the measure. If, to-day, in the house, the hon. Secretary of State, openly gave me his assurance that he would take special care not to smother the individual effort, to have all required documents translated, I would, to some extent, show myself more amenable to his views.

Another consideration. I may be mistaken, but, it was stated, that this bill No. 4 would help to improve translation. It is an instrument, a tool, states the Secretary of State. I cannot see clearly the necessity for such a tool at present. The decentralization sys-

tem has given its proofs in the departments where the chiefs were broadminded and used common sense. This proof for instance is to be found in the Department of Trade and Commerce. With the present system we can have at the same time, the publication of the trade bulletin both in English and French. There is great improvement in the publication of the Year Book. Why should this not be in the departments complained of? If the Minister of Trade and Commerce is able to make a success of translation in his department without the help of Bill No. 4, why not the Minister of Agriculture, why not the Prime Minister, why not the Secretary of State himself?

Another reason why I am opposed to this bill and shall vote in favour of the amendment of my hon. friend for Ottawa, it is, as I stated at the outset, this gilded measure tells me nothing. There is nothing in the bill which safeguards the rights of the French language and there is nothing which would constitute an official recognition of that language, so far as translation is concerned.

Mr. ST-PERE (Translation): That is a fact.

Mr. DUBOIS (Translation): To any observing mind, the past is there to prove it. Not always have we had, in a wide measure, what we had a right to expect. I feel convinced, in spite of the good will of the hon. Secretary of State, we shall still not be able to make a success of Bill No. 4. As long as he holds that portfolio, perhaps—I have so much esteem for him, I have heard of him for ever so long; but the hon. Secretary of State shall not always occupy the post he has, he shall be replaced. Will the superintendent of this translation bureau be a broadminded man, will he interpret the law, Art. 133 of the British North America Act with an open mind? Experience has taught us, that when we leave it to the government to interpret an act, often, the letter of the law is applied rather than the spirit. Therefore, sir, with such apprehension, I am forced to vote against bill No. 4, unless the hon. Secretary of State wishes to state to the house that this bill is a clearer recognition of the official statute dealing with the French language in the debates. If the hon. Secretary of State would publicly state that it is a greater guarantee for the French language, I could be more lenient towards the measure under consideration.

According to this bill, it is simply a centralization of the translators, and we find in clause 3 a formula which gives me some concern:

[Mr. Dubois.]

3. (1) There shall be a bureau under the minister, to be called the Bureau for Translations, the duties and function of which shall be to collaborate with and act for all departments of the public service, and both houses of the parliament of Canada and all bureaus, branches, commissions and agencies created or appointed by act of parliament, or by order of the governor in council, in making and revising all translations from one language into another of all departmental and other reports, documents, debates, bills, acts, proceedings and correspondence.

There is a long enumeration, but it is not stipulated whether this bill will specially provide for the French language. Moreover in paragraph 2 of clause 4:

(2) The minister may from time to time designate such translators or other employees in the public service or in any department or branch of the public service as he may deem necessary for carrying into effect the provisions of this act, and the governor in council may, from time to time. transfer to the bureau any of the said translators, or other employees so designated.

This is another matter of apprehension. Let us take as an example a qualified translator in the Department of Agriculture, who happens to be a French Canadian. Far be it from my thought, the idea that some one will take advantage of this bill to openly persecute my compatriots. That is not the point. However, what would happen if we were dealing with a narrow-minded man, as this has sometimes happened? Let us suppose, therefore, a French Canadian translator in the Department of Agriculture, whose turn has come for a promotion which might perhaps interfere with the promotion of translators belonging to another nationality. Perhaps, means would be found to transfer this competent translator—finding some excuse —from the Department of Agriculture where he might continue to be in the way of one more influent than himself, to the bureau for translations under the plea that his services are specially required in the latter place.

My hon. friend the member for Hochelaga (Mr. St-Père) expressed such an apprehension while a number of my colleagues entertain similar fears in this respect. Are we not justified, sir, in having some apprehension to vote in favour of this measure? In no way does it embody all the guarantees necessary so far as translation efficiency is concerned; and—I speak on my behalf—as to the safeguarding of our rights to the French language.

I can also give another reason for my apprehension. You are aware, sir, that in 50 per cent of the departments of the government for translation there is no bilingualism. We note that, in many departments, we have not been dealt with fairly. I have

here, as one example, the names of officials of the National Revenue Department, it will prove that we have reason to have apprehensions when our interests are at stake.

I shall quote the names of the principal officials of the National Revenue Department. Let us see whether we find one French Canadian name. The hon. minister who is in charge of the department is the Hon Mr. Matthews; his private secretary is Mr. Code; the Commissioner of Customs, Mr. Scully; the Commissioner of Excise, Mr. Sim; the Commissioner of Income Tax, Mr Elliott; the Assistant Commissioner of Customs, Mr. Blair; the Assistant to the General Executive, Mr. Ide. I hold no animosity against those who do not belong to my race—

Mr. DUPRE (Translation): And Mr. Gaboury?

Mr. DUBOIS (Translation): Among the English speaking members as well as among the English speaking employees there are qualified, intelligent, straightforward and conscientious men who are fair in the distribution of work and if they had to settle the present question, would not fear to do justice to our compatriots who could ably fill posts in the public service or elsewhere.

The hon. Secretary of State still persists in having this Bill No. 4 enacted, notwithstanding the press campaign carried on against it throughout the country. It is true that the hon. member for Labelle designated as little scraps of paper the petitions that were signed and articles that were published in newspapers, such as the "Devoir," the "Droit," "l'Action Catholique," and "Le Canada." He designated as little scraps of paper the warning of our national associations. But it was public opinion that spoke. The hon. Secretary of State is sufficiently wise, open-minded to realize the injustice this bill is doing us. With the broad-mindedness I know he has, I think the Secretary of State should not insist further, he should even drop the bill so as not to force us to vote against it.

Mr. DESLAURIERS moved the adjournment of the debate.

Motion agreed to and debate adjourned.

SUPPLY

DEPARTMENT OF THE SECRETARY OF STATE

The house in committee of supply, Mr. Gagnon in the chair.

Chief electoral officer—salaries and contingencies of office, $14,724.

Hon. C. H. CAHAN (Secretary of State): This is the usual vote for the chief electoral officer. There is no change in salaries or in contingencies in that office in these estimates as compared with the estimates for the previous year.

Mr. MARCIL: Is the minister in a position to give us the number of returning officers who have been dismissed since the last general election?

Mr. CAHAN: As a matter of fact I cannot give the hon. gentleman that information. If he will ask for a return, however, I will see that it is brought down. I stand in a peculiar position in regard to the chief electoral officer; he is an independent officer of this house, but he formally approaches the house in connection with his estimates through the Secretary of State. I do not control his dismissals or appointments in any way, and since I have been in office he has never consulted me in respect to either dismissals or new appointments.

Mr. MICHAUD: Do I understand the Secretary of State to say that the chief electoral officer is independent of this house, or independent of the ministry?

Mr. CAHAN: No, he is an independent officer of the house, independent of the Secretary of State. I simply represent this officer, nominally, in presenting his estimates to the house, and any instructions the house has to give usually go through the Secretary of State. The chief electoral officer is an officer over whom I have no control; whose office I do not supervise, and who has never consulted me with regard to dismissals, if dismissals have been made, or in regard to appointments. I am simply asking for this vote for the chief electoral officer for the present year.

Mr. MICHAUD: I should like to be informed as to whether the chief electoral officer is responsible to anyone or whether he has any superior officer. How is he appointed?

Mr. CAHAN: He is appointed under a statute of the houses of parliament. He is not responsible to any superior officer; he is responsible to parliament.

Mr. MICHAUD: Is he actually appointed by statute or is he appointed by order in council?

Mr. CAHAN: He is not appointed by order in council; he is appointed by parliament as provided by statute.

Mr. MARCIL: I should like to say a word with regard to the dismissal of the returning officer in my constituency, and I am sorry

the chief electoral officer is not represented on the floor of this house so that he might defend his actions.

At my request the chief electoral officer went to my constituency and held an investigation, after which he came to the conclusion that this man should be dismissed, and he was dismissed. Complaints had been made by the hon. member for Quebec-Montmorency (Mr. Dorion); the electoral officer held an investigation under oath, and came to the conclusion that this man should be dismissed. I submitted the evidence to a learned counsel in Montreal, Mr. John G. Ahern, who came to the conclusion that the returning officer had carried out his duties, but of course as between these two gentlemen the chief electoral officer carried the day and this man was dismissed. Mr. Verge is the son of the former registrar of Bonaventure county, who was returning officer himself for overy twenty years. This younger Mr. Verge was practically brought up in the work, and he was most competent. On the day of the general election he received a telephone message at Carleton to come down to Paspebiac a large parish in the county, to see that no obstruction was put in the way of people voting. He visited a couple of polls and reported that everything was satisfactory. On his way home he was told that some objections had been made at the poll called Thivierge, in Bonaventure county, to the effect that three or four young people who had been away from home but who had returned were unable to vote. The deputy returning officer, who has since died, was of the opinion that to vote in a federal election the person named must be on the list. That is the procedure followed in provincial elections in Quebec; if your name is not on the list you cannot vote, but in the federal election there is a means provided, if your name is not on the list, by which you can vote if you take the oath and so on. Mr. Verge seems to have explained the law to the deputy returning officer and to have left the matter at that, according to his declaration. After his departure three young men and two young women who were employed in Montreal and Quebec but who had returned to their homes in Bonaventure for a vacation, voted at that poll. For that reason the chief electoral officer dismissed Mr. Verge.

I do not imagine that Mr. Verge's reputation in the constituency will be very much affected, because unfortunately it is looked upon merely as a political dismissal; everyone is satisfied that he fulfilled his duties, but in justice to Mr. Verge I am making these remarks, without passing any reflection at all upon the chief electoral officer who is not here to defend himself. Mr. Verge fulfilled his duties to the best of his ability; his actions have been supported by a learned king's counsel of Montreal who is very familiar with the law, and his dismissal is looked upon merely as a political matter in the county. I desire to make this statement in fairness to Mr. Verge.

Mr. CAHAN: My hon. friend's statement now is a matter of record in Hansard. If the hon. gentleman thinks that the chief electoral officer did not act in accordance with his duties, there is always a remedy open, because such a matter is within the jurisdiction of the committee on privileges and elections. If hon. members wish to complain about this parliamentary officer, they will have a full opportunity before that committee. The chief electoral officer could attend for examination.

Mr. STEWART (Edmonton): I suppose the minister has not any idea of how many changes there have been in the returning officers.

Mr. CAHAN: I have not the slightest idea.

Mr. STEWART (Edmonton): We shall ask the question at a later time.

Mr. CAHAN: If the question is asked in the house I shall see that an answer is given, by return.

Item agreed to.

Patent record, $35,000.

Mr. CAHAN: The patent record is published by the patent branch of the Department of the Secretary of State. By international agreement we are obliged to publish such a record, and by giving information with respect to patents granted by the Canadian office the record serves a very useful purpose. I am endeavouring if possible, to cut down the cost, and during the ensuing year shall endeavour to reduce the expenditure from $42,000 to $35,000.

Mr. BROWN: What is the revenue from that publication?

Mr. CAHAN: I will say to the hon. member that there is some revenue, but it does not cover the cost. Unfortunately with respect to all branches of the Department of Secretary of State revenue does not come to the department, but goes into the consolidated revenue fund. So that while in several

branches of my department we pay our way several times over, the consolidated revenue fund receives the advantage.

Mr. STEWART (Edmonton): Is the preparation of the publication done by the printing bureau?

Mr. CAHAN: The copy is prepared by the patent branch and the publication is made by the printing bureau.

Mr. SPENCER: Is the Secretary of State in a position to give the house the total revenue received from the patent office?

Mr. CAHAN: I probably can.

Mr. SPENCER: If the Secretary of State will give the information later, I shall be satisfied.

Mr. CAHAN: Receipts from the patent and copyright branch for the past year amounted to $539,340.64. That is an increase of $14,092.22 over the previous year. The total expenditures for the same year amounted to $205,293.70, which was a decrease in expenditure of $40,969.40. The decrease occurred in civil government, contingencies, and in the cost of printing the patent office record. Surplus of receipts over expenditures amounted to $334,046.94. In addition to that there was a profit on foreign exchange, that is on cheques sent from foreign countries to the patent office in payment of fees, amounting to $8,033.75.

Mr. GERSHAW: Has the minister or his department any control over so-called patent attorneys? One or two cases have come to my notice in which patent attorneys have accepted large fees for doing very little work.

Mr. CAHAN: The only control over patent attorneys which the minister has—and I am speaking subject to correction—is, that in case of dishonesty, fraud, or other bad practice being proven against an attorney, his name may be removed from the list of attorneys practising before the patent office. That is my understanding, and I believe it is a fact.

Mr. BOUCHARD: Does this item cover copyright, also?

Mr. CAHAN: No, we are now discussing an item concerning the patent record.

Mr. BOUCHARD: I understand copyright information is published in the same periodical.

Mr. CAHAN: In the patent record there may be some reference to copyright records, published as a matter of information. This vote, however, provides for printing the record from month to month.

Mr. FAFARD: May I ask the minister if the hon. member for Compton applied for a copyright on his last speech?

Mr. GOBEIL: That is wise, isn't it?

Item agreed to.

International office for the protection of industrial property, international copyright union office and union for the protection of literary and artistic works, $2,000.

Mr. CAHAN: This vote refers to the international office at Berne. It is necessary for us, under international conventions to which we are a party, to make this contribution. We pay $2,000 a year. No change is made in this vote.

Item agreed to.

Expenses under the Naturalization Act, $11,700.

Mr. RINFRET: I notice that there is a considerable decrease in this item. I suppose it is an indication that the requests have diminished.

Mr. CAHAN: The chief reduction arises in this way: Owing to an amendment to the Naturalization Act, dealing with the status of married women, it became necessary to reprint the forms which we had used for a number of years. For instance, a man in Canada may now apply for naturalization, but the naturalization certificate granted to him does not cover his wife, unless she makes an independent application for naturalization. The result was that last year we had to change a very considerable number of forms, due to the amendment to the Naturalization Act. This expenditure is not necessary in the ensuing year. On the other hand, we expect that during the ensuing year there will be a reduction in the number of applications.

Mr. RINFRET: Last year the expenditure was abnormal.

Mr. MARCIL: How many were naturalized last year and the year before?

Mr. CAHAN: I made a full statement a few days ago in reply to a question asked by the hon. member for St. James (Mr. Rinfret), and this information is on record.

Mr. BRADETTE: There are a large number of people in my section of the country who were born in Europe and have resided in Canada long enough to qualify for naturalization. However, many of these people are on direct relief and find it impossible to pay the

nominal sum required. Would it be possible to have papers issued free of cost to these people? I have one case in mind where if the man were naturalized he could qualify for the old age pension.

Mr. CAHAN: I am afraid it is not within the power of the Secretary of State to provide that applicants for naturalization shall be exempt from paying the fee of $5. This amount is not received wholly by the consolidated revenue fund through the Department of the Secretary of State; it covers in part the fees of the clerk of the court to which the application is made and the certificate granted.

Mr. HOWDEN: I should like to have some information in connection with a case in the town of Transcona. This man originally came from southern Europe; he was naturalized and raised a family, his boys now being all young men. He returned to the old country but is not now able to come back to this country. I should like to know why a naturalized citizen is prevented from coming back to this country.

Mr. CAHAN: We have fairly complete records of all naturalization certificates granted in this country. We have complete records since the Naturalization Act of 1914 and, with a few exceptions, we have the records of those granted by the courts under the old naturalization acts. When we took over in 1914 there had been one or two courthouses destroyed by fire and the records were not available, but otherwise they are complete. These records are available within an hour or two.

Mr. HOWDEN: May I interrupt for a moment? I applied to the office here in Ottawa and obtained this man's record and number, but still he is not permitted to return to this country.

Mr. CAHAN: If he has been absent from Canada for seven years or over without being in the employ of the Canadian government or an office or agency of that government or in the employ of some Canadian company or person doing business abroad, he loses his naturalization rights.

Mr. HOWDEN: He has been away only three years.

Mr. CAHAN: If the hon. gentleman will give me his name I shall have a complete examination made and give him a definite reply.

Mr. McKENZIE (Assiniboia): Just before I left for the east two cases were brought to my attention. These parties had lost their naturalization papers and I should like to know the procedure and cost of obtaining new papers.

Mr. CAHAN: If the person affected was naturalized under one of the old acts before 1914 his remedy would be to apply for a certificate under the new act. Prior to 1914 the naturalization granted in Canada made the individual a British subject while in Canada but such status was not recognized when he went beyond the three-mile limit. It became very important that those who had received their certificates prior to 1914 should apply for certificates under the new act. If the individual has been naturalized under the new act and the officer is satisfied that the application for a new certificate is made in good faith, a duplicate certificate is issued. We have found that we must exercise great care in this respect, especially on the Pacific coast. We have found that naturalization certificates have been traded in for certain fraudulent purposes. In certain cases applications have been made for new certificates on the ground that the old ones had been lost, but it was found that they had not been lost but fraudulently sold or transferred to persons who could not obtain naturalization. We have to be very careful but I am sure that the assurance of my hon. friend as to his knowledge of the particular facts would go a long way to satisfying the department in these particular cases.

Mr. SPENCER: What would be the position of an individual who had taken out naturalization papers in some other part of the empire and who was absent from Canada for seven or more years? I take it that he would have difficulty in getting back into Canada.

Mr. CAHAN: So far as the department of the Secretary of State is concerned he certainly would have no difficulty, but I could not answer as to what action might be taken by the Department of Immigration. Particular considerations might arise. Careful reports are made from time to time as to the conduct abroad of naturalized Canadian citizens. We have received complaints in the past which would seem to indicate that apparently certain aliens have been naturalized in this country in order to obtain a certificate of good character with which to go abroad and commit crime. We rely upon Scotland Yard and other sources of information in England as to the criminal conduct of naturalized subjects. If an individual has been found by a court to be guilty of crime, the Secretary of State may apply to the

governor in council to have his certificate cancelled. Such applications are made from time to time and even from week to week. Notice of such cancellation is sent to all foreign countries interested. The same procedure is followed in the granting of naturalization certificates.

Mr. ROBINSON: Is it not a fact that where a foreigner becomes naturalized, having been out of the country for two or three years and is living, say, in the United States, if he does not report once a year to the British consular officer he loses his domicile and cannot return?

Mr. CAHAN: As a matter of fact, it is provided in the law that one who is naturalized in Canada and goes abroad to live shall report to a British consular officer once a year with respect to his intention to return to Canada. My hon. friend from St. James can speak regarding the practice when he was in office, but speaking for myself I have not made a practice of attempting to cancel certificates because this annual declaration has not been made, because I find it would often work grave hardships. The fact is that many naturalized citizens of Canada go abroad, remaining away for over a year, with the clear and positive intention of returning and assuming Canadian domicile, and their default in reporting is due to ignorance. In such cases I think we should make very considerable allowances, and I have not attempted any rigid enforcement of the rule with regard to notification of intention to resume Canadian domicile. But in almost every instance, as regards those who are abroad for more than seven years, when that is proved satisfactorily, and after the person has been notified and has had personal service of notice to which he can reply and give his excuses, I apply to the governor in council for revocation. There are however exceptional cases. A very sad case came under my notice not long ago. I received from a district in Manchuria the Canadian passport and Canadian certificate of naturalization of a well known missionary priest from Quebec. He had come from France to this country with his family and had been educated in the institutions of Quebec, being later sent abroad to Manchuria as a missionary. He had his Canadian passport and Canadian certificate of naturalization. When British subjects were being rounded up in Manchuria in order that they might receive the protection of the British government, it was ascertained that this reverend father had been absent from Canada for over seven years and had not travelled a distance of some six or seven hundred miles to get in touch with a consular officer to report. He had been attending to his duties as a priest. They took up the certificate and the passport and it was sent on to the office of the Secretary of State, and soon after there came a letter from this priest—a very touching letter. He said that he was a Canadian though born abroad, and that the one hope of his life had been to return to Canada to spend his last days among his family and friends. You may be sure that within twenty-four hours I returned the certificate and passport so that he could come back. Exceptions must be made in individual cases.

Mr. BROWN: I only wish that many other men who have to do with these matters exercised the same judgment as the Secretary of State.

Mr. CAHAN: I must say for my predecessor that I think he was as careful and assiduous.

Mr. BROWN: I am not speaking of either the minister or his predecessor. The fact is however that many men on both sides of the boundary line are absolutely callous. They enforce the law according to the strict letter, exercising no sort of discretion. The minister is to be congratulated on having acted as he has done.

Mr. POWER: Some time last fall the newspapers brought to the attention of the Canadian public the somewhat anomalous position of Canadian diplomatic representatives abroad. It appeared from an article which I read at the time that the children of, let us say, the Canadian representative at Geneva, born in Geneva, would not be regarded as Canadian nationals, and that if perchance later in life they returned to Canada and came under the disqualification of a person who was on relief they might be subject to deportation. I cannot conceive of a worse position than that. I have in mind certain representatives of Canada overseas, of French Canadian origin, whose children were born there. It might very well happen that later in life these children would come to Canada and if they became public charges they would be subject to deportation—that is, if the article which I read in this paper accurately represents the situation.

Mr. CAHAN: There is no doubt in my mind that the children of Canadian nationals born abroad should be deemed Canadian nationals. Two years ago, at the request of one of the missionary societies of the Catholic church, and on representations made through

the missionary societies of the United church, the Presbyterian church and the Church of England in Canada, I prepared an amendment to the nationality act. It came before the house for discussion. Some objections were made and that bill was retired. Now, I am giving my personal opinion—

Mr. POWER: I am sorry to say I believe I opposed that bill.

Mr. CAHAN: Well, there was considerable opposition, and I thought it was a matter that should be dealt with by general consent rather than as a party measure and so I did not push the bill. But I think it must be dealt with. I remember the case to which the hon. gentleman refers, but no difficulty was encountered when the son of the Canadian agent at Geneva did return with his mother to Canada. I believe that due consideration is given in all such cases, but we might well consider an amendment to the law which would admit return as a matter of right.

Mr. POWER: Do I understand the Secretary of State to say that as a matter of fact, under the legislation as we have it at the present time, the children of Canadian officials born abroad are not Canadian nationals, though he agrees that they should be?

Mr. CAHAN: I think that under the law—I am now referring to the immigration law, in which I am not an expert—it is not absolutely clear that as a matter of right they may return, though it is clear that they have the right to return to the United Kingdom of Great Britain and Northern Ireland and do return there very often rather than run the risk of being rejected by the immigration authorities here.

Mr. POWER: Strictly speaking, the Department of the Secretary of State for Canada would not have jurisidiction to grant them a passport?

Mr. CAHAN: No.

Mr. POWER: They would be obliged to obtain a passport from the office in Great Britain?

Mr. CAHAN: Passports are granted by our own Department of External Affairs in Ottawa; to those who are abroad they are granted by consular officers of the United Kingdom who act on behalf of the Department of External Affairs. For example, when I was in Geneva a little over a year ago I came across a peculiar case. One day one of the young women employed as a stenographer in the Canadian office in that city came back to the office very much embarrassed because she had been told by the British consul there that she had no right to return to Canada. It appears, as she explained the circumstances to me, that her parents were English and came to Montreal when she was a little girl two or three years of age, I have forgotten the exact age. The family continued their residence in Montreal. She grew up, was educated in the schools of that city, became quite an expert in stenography and was appointed to and employed in the Canadian office in Geneva. She had gone to Geneva with a Canadian passport. Some family affair necessitated her signing some documents and she went before the consular official to make this signature and some declaration in connection with it, when the consular official asked her how long she had been in Geneva. I think she said: About two years. He drew her attention to the fact that she had not reported to him in the meantime; that her passport showed that she had actually been born in Great Britain, and he told her that in his opinion she had no longer a right to Canadian nationality and a Canadian passport because she had not reported to him before the expiration of twelve months of her first term of sojourn in Geneva. Of course the young lady was greatly distressed because she wanted to return to her parents in Canada. So on her behalf I wrote to the Under Secretary of State for External Affairs and I believe he took the matter up with the Immigration department with the result that assurance was given that the young lady could return to this country. Cases of that kind arise from time to time, I believe these rights should be clearly established by law and possibly after I have passed away, some successor, I hope, will have better success than I have had in attempting to clarify the situation.

Mr. MARCIL: The minister was kind enough to refer to the numerous men and women who during the last few years have been going as missionaries from Canada to the orient, some from the Church of England, others from the United Church of Canada, others from the Roman Catholic Church and so forth. Apparently, Canada is no longer a missionary field and we are sending missionaries abroad. Every year we see quite a number of men and women leaving Montreal to go to the foreign field. Have these people going abroad, especially to distressed parts such as the orient, been instructed, warned or notified by the department or have the heads of their churches been notified,

that they should be naturalized or have something in their possession to show their nationality when they reach those foreign countries, because our present nationality is different from what it was in the old days. In those days we used to claim our British nationality. In 1910 I remember when I crossed over to France I wanted to rent an apartment, so I went to the police department and put down my nationality as French Canadian. The Frenchman struck that out and said to me: "You are English." That is the way in which the thing worked in those days. I said to him: "You do not encourage French Canadians in America by telling me I am English." I should like to know from the minister, in view of the large number of Canadians going into the foreign missionary fields, whether any steps are taken under our law to protect them?

Mr. CAHAN: I cannot speak altogether for the Department of External Affairs, but it is a fact that the great majority of those missionaries who go abroad representing the different Canadian churches, are natural born British subjects, born in Canada and therefore do not need naturalization. In the case of French Canadian missionaries abroad, if a missionary happened to have been born in France, coming to Canada later in life, particular pains are usually taken before he goes abroad to secure for him a certificate of naturalization and therefore a Canadian passport. In respect of Manchuria and China I think every effort has been made during these troublesome times to communicate to Canadian nationals such advice as may prove helpful for the protection of themselves and their families.

Mr. LUCHKOVICH: I should like to ask a question of a different nature from those that have preceded mine. May I draw the attention of the minister to the Naturalization Act which states that any applicant must live in this country for five years and must also be able to understand either the French or the English language. In this country there is a very desirable class of people who have come here in middle age and who are unable to learn either French or English well enough to qualify themselves for citizenship. It oftens happens that some of these older applicants are refused certificates of naturalization on the ground that they cannot speak either language. They have all the virtues; they are industrious farmers or labourers and in every respect outside the fact that they cannot speak either English or French, they would make very desirable citizens of this country. On the other hand, we have the applicant who can speak English almost as well as Shakespeare did, but who in all other respects would not make a very desirable citizen. I have been wondering whether some mitigating provision might not be afforded so far as the first type of applicants is concerned, because I believe they would make good citizens apart from the language qualification.

Mr. CAHAN: I notice from the returns which we receive from the courts of the provinces of the middle west that when these cases come before the judges, the latter sometimes exercise a certain leniency in giving their decisions whether the applicant is versed in English or French. From the reports I notice that if they can understand French or English sufficiently to know what is said to them and to make some reply in the ordinary way, the judges are quite lenient; but to change the law would require a substantive enactment of the parliament of Canada.

Mr. LUCHKOVICH: Supposing somebody got on a judge's nerves and he refused to exercise that leniency?

Mr. HEAPS: A very important point has been raised by the hon. member for Vegreville. Cases have come to my attention of people who have been in the country twenty-five or thirty years, have attained the age of forty-five or fifty, but have lived in scattered districts where it has been practically impossible for them to become familiar with either the French or the English language. When they reach the age of seventy, without having obtained naturalization papers, and make applications for old age pensions, because of their inability to speak English they are practically barred from the benefits of the Old Age Pensions Act. These people have given good service to the country, and through no fault of their own find themselves unable to obtain naturalization. I wonder if it would not be possible in such instances, where a person has been a good citizen and has all the other qualifications to receive old age pension, that some discretionary powers might be vested in the minister whereby such people could become Canadian citizens and eligible for old age pension.

Mr. CAHAN: That is not for me to decide. I confess that one is moved to leniency in certain cases, but one is dealing with a substantive enactment of the law of this country. If my hon. friend will introduce an amendment along the lines he is now sug-

gesting it will receive the consideration of the house, but I cannot promise action will be taken.

Mr. HEAPS: I am afraid of introducing any amendment to any act of parliament; I have been rather unfortunate in regard to any bill I have tried to introduce. I feel as the minister felt a moment ago when he spoke of the leniency that a magistrate might show towards applicants for naturalization. My own understanding is that as a rule magistrates have been fairly strict in their interpretation of the law, and where a person, even of the age of seventy, who may have raised a large family in the country, has been unable to comply with the strict letter of the law, he has failed to obtain naturalization. This means considerable hardship in old age when they find themselves ineligible for old age pension. If the magistrate had some discretionary powers such cases might be dealt with considerately, but I find that as a rule magistrates claim they have no discretion, that the law is rigid. I feel that there should be some discretion vested somewhere to meet such situations.

Mr. LUCHKOVICH: I think in the case of elderly citizens such as I have referred to, who want to get naturalization papers, if their community or municipality, through the Secretary or councilmen, could show by letter or affidavit that the applicant was a desirable citizen even though he does not understand French or English, such a recommendation should have some weight with the judge who is hearing the application.

Mr. CAHAN: I think if it were left to the municipality it would be found in many cases that their position would be adverse to the applicant, because our office has received during the last three years many protests from municipalities against granting certificates of naturalization to those who do not understand well either the English or the French language. They insist that the granting of a certificate of naturalization imposes a heavier burden upon the municipality in respect of providing relief, which it is not prepared to meet. Therefore they have in many cases protested very strongly against making any concession to the alien who does not understand French or English.

Mr. LUCHKOVICH: If the alien is able to pay his taxes I do not see how it would be a burden on the municipality.

Mr. CAHAN: The alien who is competent to earn his way and pay his taxes and has lived in this country thirty or forty years without finding any inconvenience through not having a certificate of naturalization is caused very little trouble. But in the case of an alien who, after reaching a certain age, suddenly finds it necessary to apply for public relief, who sometimes frankly states in his application that he is applying solely in order that he may be put on relief—some are very frank and state that—in such case if it were left to the municipality, even your western municipalities, I am afraid the decision would be adverse.

Mr. HEAPS: I suppose that is only in the case of aliens who have been in the country a period of five years, which enables them to comply with the laws of the country as far as naturalization is concerned?

Mr. CAHAN: I will mention a case that is before my department now, of an alien, an American, who has been in this country thirty or forty years. He has led a good life, he is recommended by those who know him, but he insisted that he was going to live and die an American citizen, did not wish to assume British nationality. The other day he applied for naturalization, stating that he was applying, not because he wished to become a British subject, but solely that he might be put on relief in the town where he lived. If that case were left to the municipality I am afraid the certificate would not be granted.

Mr. HEAPS: I do not see what difference the granting of a certificate would make in that particular instance. I understand if an alien has been in this country more than five years he is not subject to deportation proceedings, so whether he becomes a Canadian citizen or not makes very little difference.

Mr. STEWART (Edmonton): But if he goes on relief?

Mr. HEAPS: The instances I tried to bring to the attention of the committee are of people who have made their home here for twenty or thirty years, have reached the age of seventy and require naturalization papers to be eligible for old age pension, which will take them off relief.

Mr. CAHAN: I admit frankly that cases of great hardship are brought to my attention where certificates have not been granted. But to remedy that situation would require a substantive amendment to the Naturalization Act.

Mr. LUCHKOVICH: Suppose the case of an applicant who is refused citizenship papers on the ground that he had not sufficient knowledge of English or French, and the

municipality did intercede on his behalf, recommending that he receive citizenship papers, would the minister take that into consideration?

Mr. CAHAN: I can give no promise. One has to deal with individual cases. Where you have about twenty thousand of these application coming in every year, the correspondence averaging nearly a thousand letters a week, one has to endeavour to exercise reasonable discretion, and that I do. If the hon. gentleman brings a particular case to my personal attention I will see if I can find some way to satisfy his wishes. But I can give no definite promises.

Mr. HAY: The Naturalization Act as it exists at the present time does work a great hardship on many people born in foreign countries who have come to Canada and lived here many years: I have had hundreds of these cases brought to my notice in the past five or six years. I would suggest that some change be made which would enable these people to obtain their citizenship papers. I know many cases of sons and daughters of people who are not British citizens who have obtained their papers, yet their fathers and mothers are unable to become naturalized because they are unable to read or write English or French. I have known many cases where the sons of these people have served overseas, yet the parents are unable to become naturalized because they are unable to comply with the law as it exists at the present time. Many of these people are splendid types yet because, as one other hon. member explained, they have lived in districts remote from English speaking settlers, they have been unable to acquire the English language and are unable to become naturalized. Very often the judge before whom these people appear adheres strictly to the letter of the law, and as a result these people are deprived of the opportunity of becoming citizens. I would strongly urge that some change be made in the law or the regulations in order to permit these people to become citizens of Canada.

Item agreed to.

Public archives, $63,024.

Mr. CAHAN: I am instructed by the clerk that I was mistaken in my impression that this item had passed.

Mr. RINFRET: I see a slight decrease this year, and I should like to ask if this means a lessening of the activities of the department outside of Ottawa or whether it is a saving in the expenditures of the department in Ottawa.

Mr. CAHAN: I have not the records here, but we have had a number of deaths in the department, which may account for the reduction. As a matter of fact one lady retired, I do not know whether or not to get married, and there was one death and perhaps two. Since 1930 I have made no new appointments at all in the public archives to fill vacancies caused by death or resignation. I quite agree that public archives must be maintained, but for the present we are maintaining the department with a somewhat reduced staff. It is possible that the hon. gentleman will have an opportunity of making the nominations for these vacancies some time in the future.

Mr. RINFRET: Do I understand that this item includes salaries? If my hon. friend will look up item 23 he will find that it covers the salaries in Ottawa. I believe the item we are considering covers the expenditures of the department outside of Ottawa, and my question was whether the outside activities of the department have been diminished in any way. If the minister has not the information I shall be quite prepared to seek it on another occasion.

Mr. CAHAN: My hon. friend is perfectly right; this item is to provide for the salaries of the permanent staff outside of Ottawa; for temporary services; for travelling expenses of representatives outside of Ottawa, and for the purchase of books and manuscripts outside of Ottawa. The money for the salaries in Ottawa is provided under item 23. I think outside of Ottawa there have been one or two retirements, though there has been no forcible retirement of any kind, even under the age limit. There are several employees who come within the age limit, and in order that they might be kept on I have now an application before the treasury board asking that their services be retained for another year. The reduction which appears here must be due to some voluntary retirements, I should think.

Mr. RINFRET: I suppose this also covers the expenditures in London and Paris?

Mr. CAHAN: Yes.

Mr. RINFRET: I understand that work has not been discontinued there and that it is not contemplated that it be discontinued. I believe the department also has a correspondent in Rome.

Mr. CAHAN: That is true, and he is a very worthy man indeed.

Mr. RINFRET: I understand there is no intention of discontinuing that work either. If I am informed correctly, the work done in these European capitals has been exceedingly advantageous to the archives.

Mr. CAHAN: As a matter of fact I think the reverend father who has been at work in the archives in Rome for many years, a very able man indeed, has reached the age limit and can be kept on only by special order in council. I believe I made application the other day in this connection. In Paris there is one man who, according to the age limit, should have been retired a year ago. I am sorry I have not my papers here, but he was employed on some very special work in reproducing some maps which were regarded by those interested in the public archives in this country as very important. Although he had reached the age limit a year ago I applied to have his services retained for another year, and recently I made a second application in his behalf. These people have been working for very small salaries and have not been able to save very much, and I have hoped to keep them on for special work as long as possible.

Mr. RINFRET: I should like to commend the minister for doing so. I think it will be agreed that an archivist can be kept at work longer than the average man in other activities. Unless he is so very old that he cannot carry on the work properly I think age only adds to his experience and ability in his work. I think the minister should be commended for keeping on these men whom we employ abroad, who are very excellent men, and for not being too strict in the application of the age limit. In this kind of work, as I have said, experience and age add to the value of the work done.

Mr. BROWN: I just wish to support the sentiments expressed by the hon. member for St. James. In my view the department of the archives is one of the most important, and the men engaged in it are, of necessity, men who have made a special study of their work. It has become a hobby with them. I can believe that men who have given their lives to this kind of work are more competent to carry on, despite the fact that they have passed the age limit. The minister should be commended for having taken the stand he has, and returning these men to service.

Mr. CAHAN: So far, if I remember correctly, we have not retired any person in the archives branch because of age. Of course, there are a certain number of temporary employees, young women who come and go, but they are on a monthly wage.

Item agreed to.

Public printing and stationery—salaries, $37,602; contingencies, $10,000.

Mr. CAHAN: In this item there is a reduction, due to the fact that under the age limit provision we have retired a considerable number who were employed in the public printing and stationery branch. The reduction in salaries this year amounts to $12,888.

Mr. RINFRET: I should like the committee to realize that the detail of this item, appearing at page 91 of the estimates, shows only a very small portion of that which really constitutes the staff of the printing office.

Mr. CAHAN: Quite so.

Mr. RINFRET: While I acted as Secretary of State proposals were made by hon. members then sitting on this side of the house to change the system in the printing office. I shall not blame nor shall I criticize the present government for not doing so, because such a change would be a most involved and intricate matter. I should like however to say that the list of salaries appearing at page 91 covers but a very small proportion of what really constitutes the staff of the printing office, because the main group of employees at that point work at prevailing rates of salaries, and the expenditure necessary to meet those wages, combined with those of the printing officer proper, are charged to the different departments under an item for printing. If hon. members will go through the estimates they will find that in connection with every department there is an item for printing and stationery, including not only the material but also the work. The larger group of employees in the printing office are not included in the estimate now before us, but are spread through several items. At least, that was the system prevailing some years ago, and it is obvious that it is still maintained.

Mr. CAHAN: The annual report of the Department of Public Printing and Stationery gives the details to which my hon. friend has referred. The present item includes salaries of official heads of that department. On March 1, last year, there were 694 employees, all told, in the department, although that figure has been somewhat reduced since. They are paid out of the king's printer advance account. Their salaries, which last year amounted to $1,700,000, are arranged according to the prevailing rates in neighbour-

ing cities, and are charged to the cost of departmental and other reports furnished to various departments for which the printing is supplied.

Mr. STEWART (Edmonton): In this instance the funds do not go through the treasury; they are reserved for payment. That is, the votes go directly to the department.

Mr. CAHAN: Yes.

Mr. STEWART (Edmonton): This is somewhat different.

Mr. CAHAN: There is the king's printer advance account, made by the treasury, supervised by the accountants of the comptroller of the treasury, and audited by the auditor general. Those accounts are paid from day to day and from week to week.

Mr. RINFRET: That includes labour?

Mr. CAHAN: Yes, I am dealing with labour. No change has been made in the system.

Item agreed to.

Civil Service Commission—salaries, $182,898; contingencies, $25,000.

Mr. CAHAN: As hon. members know, this is the usual vote for the Civil Service Commission. It is a branch over which I have no control, and in connection with appointments to the commission I have never made a single request or suggestion. I have been as independent as the commission are. The vote for salaries has been reduced from $196,020 to $182,898. That is due to the fact that there have been some retirements and one or two appointments. I have particulars, but I do not think they would be of interest to hon. gentlemen.

Mr. VENIOT: Is it the intention of the government to effect a complete reorganization of that commission? For instance, may I refer to the chairman of the commission. I see by the press it is rumoured that he is considering retirement. Perhaps the minister could give the committee some information as to when he is due to retire.

Mr. CAHAN: I believe it is clearly understood that the Hon. W. J. Roche, has reached the age limit, and will retire at an early date. Although I cannot speak authoritatively, I have no doubt that upon his retirement the vacancy will be filled by a new appointment. I believe the view generally expressed last year before the committee on civil service was that it might be advisable to retain his services for some months, during reorganization, in view of the fact that he had had such long experience in the details of that organization. His knowledge of these details was most useful to the new appointees and it is solely on these grounds that he is being retained for a short time.

Mr. VENIOT: Is it not true that the committee of parliament which investigated the workings of the Civil Service Commission recommended that the services of the chairman and his two associates be dispensed with forthwith?

Mr. CAHAN: I cannot speak definitely from memory, but I do not think that was the recommendation. As the hon. gentleman knows, Mr. Adrien Potvin, who was formerly one of the translators in the Senate, was appointed as a civil service commissioner. The fact that that commission would have the advantage of his intimate knowledge of translation methods was one of the reasons for the favourable consideration of placing the entire translating branch under the commission in a more definite way than has existed heretofore.

Mr. VENIOT: The Civil Service Commission would have nothing to do with translations, they would have to do only with the appointment of translators.

Mr. CAHAN: There would be the matter of organization.

Mr. VENIOT: If this gentleman has to do with translations I hope he will be more up to his work than he was when he acted as translator in the Senate.

Mr. CAHAN: I have never met the gentleman and, therefore, I cannot make a reply to my hon. friend.

Mr. BOUCHARD: The position of head examiner and translator was abolished on December 1. Does the minister intend to abolish this position permanently or is it to be just temporary? Will it become as permanent as the temporary cut in salaries?

Mr. CAHAN: As the minister representing the Civil Service Commission I can give no assurance as to whether or not vacancies will be filled. I have no voice, directly or indirectly, in connection with appointments or retirements.

Item agreed to.

DEPARTMENT OF TRADE AND COMMERCE

Dominion Bureau of Statistics, $351,000.

Mr. STEWART (Edmonton): There is a reduction of $198,300 in this vote. Naturally

we are all pleased to see reductions made but this is a very important service and I understand that the duties of this department are increasing all the time.

Hon. H. H. STEVENS (Minister of Trade and Commerce): A substantial part of the reduction is due to the letting out of the staff engaged for the census.

Mr. BRADETTE: How many of that staff have been retained in the service?

Mr. STEVENS: There were 292 still in the service last year but I think a further reduction is to be made this month and some of that number will not be kept on for the coming year.

Mr. BRADETTE: Will that whole staff be eventually abolished or will some of them be retained in the service?

Mr. STEVENS: By the time the supplementary estimates are brought down I shall know definitely. It is possible that due to the growth of the work it may be thought desirable to retain the services of some of those who have received special training in census work during the past three years. I can give no decision to-day on this matter but I shall be able to make a definite statement before the end of the session.

Mr. CAHAN: I notice that certain items of public printing and stationery were not dealt with, and I ask my hon. friend if he would permit these to be taken up at this time. I do not think there will be any discussion thereon.

Mr. STEVENS: I would have to move that this item stands.

Item stands.

Public Printing and Stationery—printing, binding, et cetera, the annual statutes, $8,500.

Mr. CAHAN: The reduction of $1,500 in this vote has been made possible by a decrease in the cost of paper.

Mr. VENIOT: As a matter of economy, has the minister given any consideration to the quality of the paper used for envelopes and correspondence?

Mr. CAHAN: A thorough research has been made in this regard. Certain suggestions have been made to the departments with regard to future orderings of supplies. If these are carried out it is expected a considerable saving will be made.

Mr. VENIOT: I believe it would save considerably. There is another matter to which I would direct attention, that is, the poor sticking qualities of the envelopes with which we are supplied. Take the six or seven inch envelopes. It is practically impossible to get them to stick without the use of mucilage. I do not think members should be expected to send out correspondence in an envelope with the flap in such a condition that anyone could open it.

Mr. CAHAN: I shall make special representations to the department as to this matter.

Mr. POULIOT: I am in favour of economy in every branch of the service but I think the members should be allowed sufficient paper for their parliamentary duties. I do not see any economy in the fact that a member is allowed only two or three pads of paper at a time. He is forced to send out a messenger every time he needs pins, pencils or envelopes. More money is spent on the messenger than would cover the cost of the stationery. These matters should be dealt with from a common sense point of view and a member should not be forced to send for a messenger every time he needs a pad or envelope. I do not blame the minister for this, but I think some attention should be paid to the convenience of the members of this house.

There is another matter to which I should like to refer, the bound editions of Hansard. There is economy in that respect, I am told. Now, since I have been a member of this house, for ten years I have been receiving two bound sets of Hansard, one in French and one in English. I keep one at home and one here, and I keep it religiously. This year however on account of economy the clerk has been refusing to let me have an English bound set of Hansard of last year. I do not understand that. There would be greater economy if he did not pay $480 for a carpet without the authorization of the Speaker or the sergeant at arms, though he will not allow members to have bound sets of Hansard. Economy should be practised and not preached; there should be example and not mere words. We are not children here, and we are not to be bossed by any one of our servants; and if he thinks fit to buy an expensive rug for $480, a superior quality rug, it is a real scandal, and the only thing to do is to tell him to get out if he has done it without authorization. According to the information I have received from the proper officials he was not authorized to buy that expensive rug for $480, when I cannot get a bound set of statutes I need for my parliamentary work.

The CHAIRMAN (Mr. Gagnon): The hon. gentleman is out of order in discussing carpets when we are speaking of statutes.

Mr. CAHAN: The matters of which the hon. gentleman complains have nothing to do with my department or with this vote; they are entirely under the supervision of the internal economy committee of this house, which is composed of his own fellow members.

Mr. POULIOT: I wish to tell the minister that I am not putting the blame on him at all. In reply to the chairman I will only say this: I was not speaking of general merchandise or rugs as such but by way of comparison, and I am saying that it is more expensive to buy a rug for $480 than to supply members of this house with bound Hansards in both languages.

Item agreed to.

Distribution of official documents, $39,000.

Mr. CAHAN: This vote has been cut down from $42,500, a reduction of $3,500, owing to the fact that we have made a careful revision of the official lists of documents being sent out. As a result of deaths and from other causes the list has been reduced.

Item agreed to.

Printing and binding official publications for sale and distribution to departments and the public, $42,750.

Mr. CAHAN: This is money that comes back into the treasury.

Item agreed to.

Dominion Bureau of Statistics, $351,000.

Mr. BOUCHARD: Reading the bulletins that are issued, one is apt to conclude that we are getting out of the crisis very quickly, that we are on the upgrade, and one is apt to take a very optimistic view of conditions in Canada. I do not object to that at all, but I am wondering whether that is part of the policy of statistical makebelieve, designed to make a good showing. I should like to see the statistics a little more, I will not say accurate but more in keeping with the actual facts. Is it the decided policy of the department to publish only such statistics as make a good showing?

Mr. STEVENS: The statistics are published accurately and strictly in accordance with the facts, and there is a large number of publications on various subjects which are put out as regularly as clockwork monthly and even weekly in some cases. These are very voluminous. The bulletin is a summarization of them for the convenience chiefly of the press.

Mr. BOUCHARD: I am referring more particularly to the bulletin; I will not make any observations on the statistics in general. I am wondering whether the bulletin shows the facts exactly as they are or whether it is intended to give people abroad the idea that everything is on the upgrade and that everything is all right with Canada—on the eve of an election, though I would not blame the minister for taking that precaution.

Mr. STEVENS: A survey of all issues of this kind, such as Irving Fisher's and the American Bureau, the London Economist's publications and all standard publications, shows that in about 80 per cent of them there is indicated a general tendency to rise. I do not think it is pretended by anyone that the rise is rapid, but there is a general indication, purely statistical, of a slight and continuous upward curve; and in our publication we are following as closely and accurately as we can the day-to-day or week-to-week statistical record.

Mr. NEILL: I must confess that I formed an opinion somewhat similar to that expressed by my hon friend (Mr. Bouchard). It seemed to me that the selection of the items in that bulletin was calculated to form good propaganda for the coming election, to put it bluntly. I wish to refer to the subject that was discussed the last time the minister's estimates were under consideration. I complained that the information given in one of the minister's publications differed considerably from the information given in another one or in others, and I instanced three cases of the export of canned salmon. I gave the quarter ending in June, the quarter ending in September and the record for nine months ending September, and I showed that there was a discrepancy, not trivial but running as high as 60 per cent. That was on the 24th, and on the 27th, on the orders of the day, the minister brought the matter up and was allowed nearly two pages of Hansard to explain the situation and to show that I was mistaken. I wonder if I would have been allowed to use two pages on the orders of the day.

Mr. STEVENS: I was doing it at the request of the hon. gentleman, he will note.

Mr. NEILL: Yes, he said that, but I could not find where I had made a request in the matter. I made a statement.

Mr. STEVENS: My hon. friend asked me to take notice of it and make an explanation, which I did at the earliest possible opportunity out of courtesy to him.

Mr. NEILL: Asking him to take notice is hardly a question. However, that is of little importance. Now, to my mind—and I suppose I am stupid—the explanation made the situation rather worse. It was threefold. First, it was explained—and I presume it is to a certain extent correct—that one record was taken from exports from Canada and the other from imports into Great Britain, but not, mark you, from the British but from the Canadian records.

Mr. STEVENS: My hon. friend is wrong there. He will pardon me for interrupting him, but I think it would be very unfortunate were an impression to go abroad that the bureau of statistics was in any way inaccurate. The figures of imports into the United Kingdom are the United Kingdom figures. Will my hon. friend please accept my word on that?—because the reputation and honour of the Dominion Statistician are being questioned in this matter and I am indeed sorry that that should be the case.

Mr. NEILL: I am not attacking the reputation and honour of the statistician; I am saying that the man who prepares these bulletins and who turns out 3,000,000 words for $6.20, as the minister himself said the other day, hurriedly selecting the material as the stuff went past, did not do the work as accurately as he might.

Mr STEVENS: I made no such statement.

Mr. NEILL: About the bulletin?

Mr. STEVENS: No such statement.

Mr. NEILL: Well, let us refer to Hansard.

Mr. STEVENS: Very well; refer to it.

Mr. NEILL: It will be found that the minister said that this was a selection; that as the items were passed in review, somebody picked it out; that the system was rapid and the material was picked out in that way.

As regards the point whether the information comes from Britain, I have no access to the British records, and I took it from the bulletin prepared by the minister and from the Commercial Intelligence Journal, which the minister will certainly admit is under his authority. I did not take it from the British records. The Commercial Intelligence Journal does not say that they are British records, but I shall take the minister's statement that they are.

[Mr. Neill.]

I understood the minister to say that if some of the shipments of salmon from British Columbia were shipped by water, it would be a considerable time before they arrived at their destination, and consequently some of them would appear in a different quarter of imports into Britain from that in which they were recorded as having left Canada. That is quite true and would be a good explanation as to the discrepancy in one quarter if it showed a smaller amount received in Britain than had been exported from Canada. But that will hold only once. The next quarter it will not apply, because the hangover from the previous quarter would be in the second and the one should more or less balance the other, whereas it does not do so. In the June quarter the shortage was 9,000 hundredweight. In the September quarter it got worse; it was 23,000 hundredweight, and for the nine months ending September, it was 32,000, so it was cumulatively worse. I admit that it will apply to one quarter, but it does not seem to be borne out by the records of three quarters or of the nine months period.

The second explanation the minister gave was that the figure for the exports from Canada was reckoned on 100 pounds to the hundredweight while the figure for what was received in Great Britain was on the basis of 112 pounds to the hundredweight. The answer to that is that at the very most it would make a difference of only 12 per cent, and not of 40 or 60 per cent.

Mr. STEVENS: There is no such difference. I ask my hon. friend to pardon me for interrupting him. I am not asking any favours for myself as minister, but I certainly am jealous of the reputation of the bureau of statistics as one of the outstanding institutions of this country. My hon. friend is making statements which, by the very page of Hansard which he was quoting a moment ago, are shown clearly not to be so. My hon. friend need not give me any quarter at all; about that I do not care twopence, but I ask him to be fair in regard to one of our institutions of which hon. members on both sides of the house are justly proud.

Mr. NEILL: Really this lecture is very severe and all that, but the minister has not proven anything.

Mr. STEVENS: It is not a lecture; it is simply an interruption in the interests of accuracy. I protest against allowing to go out to the world statements such as my hon. friend has made. In order to make the point I wish, I shall take the opportunity now of giving the committee the facts. In the ex-

port figures of the Dominion of Canada for the year 1933 as given on page 978 of Hansard will be found this: the number of pounds of exports of canned salmon to the United Kingdom is 11,151,800. Then the United Kingdom figures of imports for the same twelve months are 11,397,680 pounds, or a difference roughly of about 240,000 pounds.

The other day I explained that there are bound to be and always are discrepancies between figures of exports to a country and those of imports into it, for two or three reasons. First, these goods move from the Pacific coast to Great Britain and it is more than likely that at the end of the year some might be in transit which were not entered in the returns for that year, and at the commencement of the year the same thing would apply, so there is bound to be a discrepancy. The second reason is that many cargoes going from Canada to Liverpool, Falmouth or other ports in England—and this applies particularly to wheat—are often diverted at some point in midocean to continental ports. My hon. friends who are in the wheat business know that. There is no possibililty of our knowing where such shipments from Canada may be diverted but every effort is made among the statisticians of Canada, Great Britain, the United States, European and other countries to keep their whole system as accurate and as uniform as they can. This is a difficult, intricate and complex task, but it is a most remarkable instance of reasonably accurate comparison. Let me again say that the total figure of Canada's exports of canned salmon to the United Kingdom for the twelve months of 1933 was 11,151,800 pounds while the British figure of our imports into the United Kingdom for the same period amounted to 11,397,680. Does such a slight discrepancy as that justify a serious indictment of the bureau and its accuracy?

Mr. NEILL: The minister is talking about something utterly remote from what I was speaking about when he interrupted me. He says that I am unfair and unjust and that the honour of so-and-so is at stake, but he has not replied as to the particular item about which I was talking when he interrupted me. I still fail to see any unfairness in what I was saying. Let me quote the minister himself as reported on page 977 of Hansard; never mind about page 978; I shall come to that later. He said:

> In the second place the imports in Great Britain are set forth in hundredweights of 112 pounds while exports from Canada are set forth in the Canadian standard of 100 pounds.

Hansard will show that those were exact words I was using when the minister interrupted me. Is there anything unfair in that?

Mr. STEVENS: That is not what I objected to, and the hon. gentleman knows it.

Mr. NEILL: Well, that was what I was talking about when he interrupted me and said that I was unfair.

Mr. STEVENS: No.

Mr. NEILL: I shall leave it in the judgment of the house and Hansard whether that was what I was talking about when I was interrupted.

Mr. STEVENS: The hon. member had better read Hansard to-morrow.

Mr. NEILL: We can read it now if he likes. When I came to the second explanation of the minister I said that part of the discrepancy could be accounted for by the fact that 100 pounds to the hundredweight was used in the one case and 112 pounds in the other, and that is true; that was his own language. To draw a picture of what took place as reported on the next page of Hansard is beside the point. I said that that would make a difference of only 12 per cent. It was at that point the minister interrupted; there is nothing wrong there. For instance, in the June quota instead of a discrepancy of 9,000 hundredweight it would still show a discrepancy of 7,144, and in the nine months ending September, after allowance for the difference, it would still leave a discrepancy of over a million pounds, which certainly requires explanation. But even supposing that was correct, who is to blame for putting into his journals two contradictory things, hundredweights of 100 pounds and of 112 pounds, without telling people? Certainly it was the duty of the department to let us know. I am not blaming the minister personally, but an explanation should have been given so that the ordinary business man would not be putting hundredweights of 112 pounds against hundredweights of 100 pounds for purposes of comparison. That is an inaccuracy and a lack of attention that should not have occurred. If that is the cause of the inaccuracy, and the minister suggested it as being one, then the department is to blame. Now I did not get this from the British papers, I got it either from his own departmental bulletin or the Commercial Intelligence Journal.

Then again I complained of three items, the June and the September quarters and the nine months ending September. The ex-

planation about the difference in regard to shipments from British Columbia would do for one quarter but not for three consecutive quarters. The minister explains that one set of figures was based on hundredweights of 100 pounds instead of 112, but that would only make a trivial difference. He goes further and says: Well, look at these other figures, and he draws a pretty picture of another bunch of figures—

Mr. STEVENS: No. I did not.

Mr. NEILL: —drawing a herring across the trail. I never said anything about the year's figures because I have not got them. The minister has access to the figures, but at the time that I spoke I had not access to them. He says: "Never mind about the June quarter, and there is something wrong with the September quarter; but look at these—they are lovely; they fit all right."

Mr. STEVENS: I made no such statement about there being something wrong with the quarterly figures.

Mr. NEILL: The minister made the inference that there was something wrong because he tried to explain the difference by referring to hundredweights of 100 pounds and 112 pounds. He gets around the thing by such well known methods as he is rather fond of. He says: "Yes, but look at this other picture; isn't it nice, and doesn't it fit?" I do not know if it does, because I have not got the figures; therefore I am not talking about it.

We will go a stage further and take the minister's own figures as set forth so extensively on these two pages of Hansard. There are even discrepancies in that. This is the latest thing, fixed up to show the thing is all right. It shows the total for the year as 101,765 hundredweight, while his own Commercial Inteligence Journal of February 24, says that the imports of canned salmon for the year 1933 were 100,988 hundredweight. That is another discrepancy to be accounted for.

Take another error in these same revised figures. On the page referred to, 978, he gives the imports for the year. I have taken them for the nine months, because that is all of which I have knowledge. I added the March quarter, 18,958; the June quarter, 8,360 and the September figure, 27,189, which makes a total of 54,507. Remember those are British hundredweights; there is no doubt about that, because it is specifically so stated. But the Commercial Intelligence Journal of November 24 gives the number of canned salmon in the same nine months as 53,688 hundredweight, a discrepancy of 819 hundredweight, or 91,922 pounds. That is the latest; the minister has had time to consult and get the thing all ready, yet his own figures show these discrepancies.

However, I have not laboured in vain, because the very day we were talking about this there was laid on my desk a correction in the bulletin; it says the export figures for January, 1934, were incorrectly given in hundredweights instead of pounds in connection with concentrated milk production, a difference of well over a million pounds. So it shows there has been in the preparation of that bulletin carelessness and slackness. I am not attacking anyone's integrity, but I say the compiler of that bulletin has been careless and slack in presenting those returns. If they do these things in the green tree what shall be done in the dry?

Mr. STEVENS: I think it is most unfortunate that the hon. member should persist in arguing this point. I thought that by submitting an explanatory statement as I did the other day my hon. friend would have understood it. But he still persists in the contention that in particular quarters referred to there is a discrepancy. I have explained about three times that there is bound to be a discrepancy where there is movement of goods. He takes the quarter comprising the months of July, August and September. The Canadian figures show an export of 30,000 hundredweight in August and 18,000 in September. The British figures for August and September are much lower. But the British figures for October greatly exceed the Canadian figures of October exports, showing clearly that the goods were in transit. My hon. friend knows better than any member of the house that the major movement of the salmon pack from British Columbia is in the months of September, October and November. It is perfectly clear, if one wishes to be fair in the matter, as clear as the nose on the hon. member's face.

Then he takes me to task for giving the year's figures. I gave them for the purpose of showing—keeping in mind the movement of the goods and the time that must elapse between their leaving the Pacific coast and arriving in the United Kingdom,—that the figures were remarkably close.

The hon. gentleman takes to task the officials of the bureau for drawing attention to an inaccuracy in a previous report. In the mass of figures issued there are bound to be inaccuracies, but they are carefully checked

and the moment differences are found notice is given in the same periodical of such inaccuracy and the correction made. Surely no reasonable person will complain about officials who so quickly and promptly correct any inaccuracy.

There is much more that one would be inclined to say, but I think it would be wasting the time of the committee to indulge in any further reply to such statements the hon. member has made.

At six o'clock the speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

SUPPLY

DEPARTMENT OF TRADE AND COMMERCE

The house again in committee of supply, Mr. Gobeil in the chair.

Trade and Commerce—Dominion Bureau of Statistics, $351,000.

Mr. BRADETTE: This afternoon the minister gave us some information with regard to those employed in connection with the census, and I understand that those temporary employees have an opportunity to obtain permanent employment under the Civil Service Commission. This afternoon the minister said that some of these temporary employees would become permanent, and I should like to know how the department selects those who are to become permanent. Is it a question of merit or is it carried out under the Civil Service Commission?

Mr. STEVENS: They can be appointed only in conformity with and under the terms of the Civil Service Act, in the usual way.

Mr. BRADETTE: How is the selection made as to who shall remain in the service? At first we had quite a number of these temporary employees in connection with the census, but now that this work is completed most of these employees have been dispensed with. The minister, however, said some would be kept in the service permanently.

Mr. STEVENS: I am afraid I did not make myself clear. Those now employed by the bureau of statistics in connection with census work will gradually disappear; I may say that the number of these temporary employees at the moment is 272. A number of those employees will be retired on April 1; a further number will be retired on June 1, while still more will retire in August, and I think by about October the services of practically all these temporary employees will be dispensed with. A few will be retained in connection with the completion of the ten volumes that will comprise the census work in its finished form; these few will be retained for some months longer, I do not know exactly how long. Then I told my hon. friend that possibly a few, I do not know how many, might have such special training that it would be desirable to retain them. In that case they will be brought into the service under the Civil Service Act, if they qualify; if they do not, the only other way to bring them in is by way of an estimate passed by this house, but no decision has been made in the matter as yet.

Mr. BRADETTE: As to those few who may be retained, will that be because their special qualifications are known to the department or to the Civil Service Commission or to the minister?

Mr. STEVENS: It will be done by examination, under the Civil Service Commission.

Mr. SANDERSON: I suppose the very large decrease in this item, amounting to almost $200,000, is due to the retirement of so many temporary employees?

Mr. STEVENS: Yes, the census staff.

Mr. GARLAND (Bow River): In that regard may I ask what is the normal expenditure on this bureau during periods between the taking of the census?

Mr. STEVENS: Last year the vote for the regular work of the bureau was $156,000, and this year we are asking for $148,000 for that regular work. I can run over the figures for the last five years. Last year the regular vote was $156,000; the year before it was $153,000, and for the three previous years it was $189,000, $127,000 and $114,000.

Mr. GARLAND (Bow River): From these figures I am glad to see that apparently there is some realization of the great importance of the work done by this bureau. In my opinion it is one of the most, if not the most important instruments with which to make information available to the state, and is one of the finest sources of information by means of which members of this house and the government itself can be governed in relation to matters both social and economic. I should regret very much if any government were to attempt to curtail the activities of this department or the services which it renders, which are not only of inestimable value to

the members of this house when it is in session but are constantly being drawn upon from every quarter of Canada whether the house is in session or not.

I have in mind some of the work that might be done by the bureau but which is not done at present, and which so far as I can ascertain is not in contemplation at the present time. For example, we have no complete figures on credit and currency matters going right back to confederation. It is true that in recent years the exigencies of monetary problems have brought about a realization in the bureau, as well as in the department itself, of the importance of accurate figures in these matters, and there has been a marked improvement in this regard, but still we have to analyze the information further back in order to have the record complete. Then there is another matter which I know is very dear to the heart of the minister, that of trade between this country and the United Kingdom. The minister will realize that even at this moment there is no means by which we may estimate correctly the total volume and the balance of trade as between the two countries. A few years ago, when I made a close study of this subject, I found that if adequate corrections were made to ascertain the actual destination of shipments of grain from Canada, it would be found that our figures did not tally in any respect with the British figures as to the reception of Canadian grain. If the allowances were made which were justified by the British figures, we would find that instead of Great Britain buying, according to the popular expression of that time, nearly twice as much from us as we bought from her, the actual position was that she was buying approximately the same amount.

I wonder if that question has been gone into further and whether the department is in a position to designate the destination of the trade movements from Canada and so enable us to reach more accurate judgments as to trade movements and balances as between nations. In my opinion, which I am sure the minister shares, it is essential that the information we acquire in matters of this kind should be as accurate as it is humanly possible to get it, and I hope this matter is not being overlooked. Doubtless there are other questions involved in the work of the bureau, but at this stage I will content myself with paying my personal tribute to the efficiency of the head of that bureau and the active cooperation I have always received from him and from the staff. I hope that at no time, either under this or under any subsequent government, will any attempt be made to curtail these activities.

[Mr. E. J. Garland.]

Mr. STEVENS: Mr. Chairman, the two main problems to which my hon. friend has referred are very difficult and very complex; they are engaging the attention not only of the bureau of statistics and its experts in Canada, but also of the statisticians of European countries, and in fact of all the leading countries of the world. Measurable progress has been and is being made towards the harmonizing of these trade figures. Let me take the first item to which my hon. friend refers, namely, the production of statistics which will give a correct view of the economic relations between, we will say, this country and Great Britain. That involves, of course, the question of actual goods shipped from the one to the other, both ways, the amount paid for services in, we will say, freight and cargo rates, the amount involved in interest on investments in this country, and possibly a few the other way; the question of insurance and the question of tourist expenditures pro and con. These are the main factors. There are some other invisibles of smaller and lesser importance. The statisticians of both countries have, I believe, a fairly accurate concept of the value of the services and the invisibles which enter into these calculations. There are no definite records. For instance, as regards shipping it is not disclosed what is paid for British shipping or Norwegian shipping and so on. These things are not reduced to their precise dimensions. But there are yardsticks which are commonly used by statisticians the world over for bases of estimates which are adopted and accepted, and these I believe are used with fair accuracy by our bureau. I believe last session I gave the house a picture of the statistical relations of Canada with the United Kingdom.

In regard to the second question, that is the movement of goods, chiefly grain, I think we might say that the balance of the goods moved is really not a serious matter. In connection with grain, however, it is serious. Cargoes are cleared from Canada nominally for the United Kingdom and, so far as our records show, they are exported to that country. We do know definitely however, that a very substantial portion of these shipments and cargoes are diverted to other ports. We can only estimate, and we do that by various means. Of course the chief source of our knowledge is the British import information by which we are able to get fairly accurate statistics. I believe it was about four years ago I personally made an analysis of these figures, and found that Canada was

credited with exporting to the United Kingdom a quantity of grain in excess of the total amount imported by Great Britain. But adjustments can be made and are made in estimating the diversion. Then, of course, as a cross check we have the British import figures, which are usually fairly satisfactory, although there again is a difficulty because frequently grain which is moved, we will say, through Buffalo and New York is entered in the British figures as American grain, and conversely grain which is moved from the middle west of the United States through Montreal is entered as Canadian grain. In the British figures those shipments are not segregated. However, we are able to ascertain with fair accuracy the quantities of grain which are moved.

I am glad the hon. member brought the matter up for discussion. May I say to him that the whole subject is engaging the attention and study not only of Canadian statisticians and students in the bureau and in the universities, but also of statisticians of the League of Nations, in Great Britain, the United States and other European countries.

Mr. VENIOT: Does not the same apply to certain imports into Canada?

Mr. STEVENS: Yes, quite so. For instance, large quantities of goods moved from central Europe find as a port of exit, we will say, a German port. They are entered in our import records as coming from Germany, having been merchandised in Hamburg, we will say, which is a great free city. It may be merchandised there, and there may be a bona fide clearing for Canada, but the origin of the goods might be Czechoslovakia.

Mr. VENIOT: What about tea and coffee?

Mr. STEVENS: A great deal of tea in years gone by has moved through Great Britain. However in regard to that commodity I believe we are able pretty well to ascertain the country of origin.

Mr. VENIOT: Through the United States?

Mr. STEVENS: Some comes through the United States, but that is largely transshipped.

Item agreed to.

MAIL SUBSIDIES AND STEAMSHIP SUBVENTIONS

Atlantic Ocean

Canada and the United Kingdom, on the Atlantic, service between, $500,000.

Canada and South Africa, service between, $112.500.

Pacific Ocean

British Columbia and Australia and/or China, service between, $118,800.

British Columbia and South Africa, service between, $84,000.

Canada, China and Japan, service between, $600,000.

Canada and New Zealand, on the Pacific, service between, $100.000.

Prince Rupert, B.C. and Queen Charlotte islands, service between, $12,000.

Vancouver and the British West Indies, service between, $36,000.

Vancouver and northern ports of British Columbia, service between, $18,000.

Victoria, Vancouver, way ports and Skagway, service between, $12,000.

Victoria and west coast Vancouver island, service between, $10,000

Local Services

Baddeck and Iona, service between, $5,000.

Charlottetown and Pictou, service between, $20,000.

Charlottetown, Victoria and Holliday's wharf, service between, $4,600.

Grand Manan and the mainland, service between, $24,750.

Halifax and bay St. Lawrence, service between, $2,000.

Halifax, Canso and Guysboro, service between, $6,750.

Halifax and Sherbrooke, service between, $900.

Halifax, South Cape Breton and Bras d'Or lake ports, service between, $3,500.

Halifax, Spry Bay and Cape Breton ports, service between, $4,000.

Halifax and west coast of Cape Breton, service between, $4,000.

Mulgrave, Arichat and Canso, service between, $30,000.

Mulgrave and Guysboro, calling at intermediate ports, service between, $9,500.

Murray Bay and north shore, winter service between, $40,000.

Parrsboro, Kingsport and Wolfville, service between, $2,000.

Pelee island and the mainland, service between, $8,250.

Pictou, Mulgrave and Cheticamp, service between, $9,000.

Pictou, Souris and the Magdalen islands, service between, $37,500.

Quebec, Natashquan and Harrington, service between, $76,500.

Quebec, or Montreal, and Gaspe, calling at way ports, service between, $54,000.

Rimouski and Matane, and points on the north shore of the St. Lawrence, service between, $37,500.

Riviere du Loup and Tadoussac, and other north shore ports, service between, $9,000.

St. Catherine's bay and Tadoussac, service between, $2,500.

Saint John, Bear river, Annapolis and Granville, and other way ports, service between, $2,000.

Saint John and Bridgetown, service between, $800.

Saint John and Margaretville, and other ports on the bay of Fundy, service between, $2,800.

Saint John and Minas Basin ports, service between, $3,500.

Saint John and St. Andrews, calling at way ports, service between, $3,000.
Saint John, Westport and Yarmouth, and other way ports, service between, $13,000.
Saint John and Weymouth, service between, $500.
Summerville, Burlington and Windsor, N.S., service between, $750.
Sydney and bay St. Lawrence, calling at way ports, service between, $18,000.
Sydney and Bras d'Or lake ports, and west coast of Cape Breton, and Prince Edward island, service between, $20,000.
Sydney and Whycocomagh, service between, $10,000.
Inspection of subsidized steamship services, $4,700.

Mr. VENIOT: Under this item I should like to call the attention of the minister to the fact that in the estimates for the year 1934, $1,000 was voted for the service between the islands in the gulf of St. Lawrence and the baie des Chaleurs, and the mainland. I refer to the service between Miscou and Shippigan and the mainland. I notice that in the estimates for this year the vote is dropped. May we have the reason?

Mr. STEVENS: Frankly, we found that the service had dropped down to a point where in the last year it carried only 166 passengers. I was impressed with the fact that it was a service which, not being used to any extent, did not warrant a subsidy.

Mr. VENIOT: Will the minister permit me to call attention to the use to which this service is put? It was established some years ago to enable the people on the two islands of Shippigan and Miscou to have connection with the mainland. When it was first established the boat ran from Miscou harbour to Lameque, on the island of Shippigan, and from there to Shippigan and Caraquet. At that time they were receiving a subsidy of $2,000. Later on the boat they were using, on account of old age and some damage which she suffered, was put out of commission. The company operating the service was a private company of fishermen and farmers of the two islands I have mentioned. About eight or nine years ago they had to build a new boat to carry on the service. I suggest that the utility of the service should not be judged by the number of passengers carried. It is used generally for the transfer of freight and fishermen's supplies, especially in the fall of the year before the winter season sets in. If this boat is not subsidized, as she was in the past, she will likely have to be put out of commission. I know there is not enough traffic to pay for the service, hence the application for a subsidy. Some 3,000 people are being deprived of a service which for the last fifteen years, and perhaps longer, they have enjoyed, and the result is a great hardship to them. It is about the only service of the kind in the maritime provinces which is not being taken care of this year. I appeal to the minister to consider repeating the vote given last year in the supplementary estimates so that the service hitherto given may be continued. The Minister of Marine (Mr. Duranleau), who was down through this country last summer, must have passed Miscou and Shippigan islands on his way to visit the different ports and must have noted the isolation of these people; I hope he will join with me in appealing to the government to renew this subsidy of 1,000. I know that if it is not granted the boat will have to be taken out of service and great hardship will result to the 3,000 people living on these islands.

Mr. STEVENS: I shall take the suggestion of my hon. friend into consideration, but I should like to make one observation; last year 162 trips were made and the average freight carried each trip was only one and three-quarter tons.

Mr. VENIOT: All the more reason why a subsidy should be granted.

Mr. STEVENS: A consideration which must be borne in mind is the extent to which a service is used. However, there are sometimes extenuating circumstances and I shall give the matter careful consideration.

Mr. DUFF: Mr. Chairman, I notice in this long list of mail subsidies and steamship subventions that in nearly every case there has been a reduction except in one instance in the minister's own province. Under the heading, "British Columbia and Australia and/or China, service between" the vote has been increased from $96,000 to $118,800. I do not object very strenuously to a minister looking after the interests of his own province, but a minister representing a great department should not be so parochial, especially in view of the fact that this service does not concern his own constituency. I cannot understand why one service in perhaps forty or fifty should be picked out to be increased by $22,800. The government say that although they have turned the corner, these are still times of stress and strain. They have reduced every other item in these mail subsidies and steamship subventions, yet the minister, deliberately or otherwise, increases a subsidy in his own province by $22,800.

I should like to direct the attention of the committee to some other items. My under-

standing is that contracts exist in connection with some of these services. The Prime Minister (Mr. Bennett), who is in his seat, has always been a great advocate of the sanctity of contracts. When he was on this side of the house and since, he has stated in very serious tones that a contract should not be disturbed, whether it was one in connection with tariffs or one in connection with something else to satisfy the special interests of this country. My understanding is that contracts have been entered into with different steamship companies throughout this country for a period of five or ten years at specified prices, yet the votes have been reduced for all the services except one in British Columbia. I do not know whether this has been done by the statistical branch of the minister's department, which he was so anxious to protect this afternoon, or by some other official, but the fact is that reductions have been made. If these steamship companies have a contract with the government I should like to know why these votes have been reduced.

Let me give two or three instances. I see sitting across from me two very prominent members of the house, the hon. member for Queens (Mr. McLure) and the hon. member for Pictou (Mr. Cantley). I am delighted to see that the hon. member for Queens has moved up so that he can hear what I have to say. I notice that the item in connection with the service between Charlottetown and Pictou has been reduced from $30,000 to $20,000. I think the hon. members for Queens and Pictou will agree that this is a very important service between the mainland of Nova Scotia and the garden of the gulf, Prince Edward Island. Not only has this vote been reduced from $30,000 to $20,000, but if my memory serves me aright, and I have a pretty good one—again I refer the Prime Minister to his remarks on the sanctity of contracts—a contract was entered into either by this or by the last government for a ten year service between Pictou and Charlottetown, not for $20,000 a year, not for $30,000 a year, but for $40,000 a year.

Mr. BENNETT: If parliament voted the money.

Mr. DUFF: I thank thee, O Jew, for that word. That is just exactly the trap I would expect someone to fall into "if parliament voted the money." The minister is quite right but only up to a certain point. What is that point? As I say, the contract was for $40,000. If the Minister of Trade and Commerce (Mr. Stevens) had put an item in the estimates for $40,000 and the hon. member for Queens moved to reduce it to $20,000 and was sustained by the committee, then the Prime Minister would be right. But a contract has been entered into and the government does not wait for this committee to reduce the amount; in spite of the contract and in spite of the sanctity of that contract, the government reduces the amount from $40,000 to $20,000. Now where is the Prime Minister's argument that this is correct? We have not been asked to vote $40,000 in the case of this Pictou-Charlottetown service; we have been asked to vote only $20,000. I say to the Prime Minister that if he will increase this vote to the amount of the contract, $40,000 and the committee decides that it will vote only $20,000, then it will be time enough for him to say that the government can pay only what parliament votes. We cannot move to increase a vote, and with a contract still outstanding, this particular vote should never have been decreased. The Prime Minister says that all the government can do is to pay the money voted by parliament, but I think he knows better than that. He is a great constitutional lawyer and he knows that if the government decided to increase this vote to $100,000, it could be put through the house with the government's present majority. Yet the Prime Minister tells us that all they can pay is the $20,000. Having entered into a solemn contract to pay a steamship company a certain amount of money, that company having bought a steamship for the purpose of carrying out that contract, and having fitted up that ship, this government has no right to reduce the subsidy to that steamship company by fifty per cent. It is not fair, it is not decent and, what is more, it is not good business.

I notice there is also an amount for a service between Mulgrave and Arichat and Canso. I am sure that my hon. friend the Minister of Finance will lend his support in connection with this item, because Arichat happens to be in his constituency, a constituency that did him the honour of electing him by acclamation. I had to fight for my seat in this house but the Minister of Finance came here without a contest, and I dare to say that I had something to do with it; they consulted me as to whether they should oppose him or not and I told them not to do it. The Minister of Finance ought therefore to be sympathetic towards me; I am sure I shall have his sympathy. Well, what do we find here? What do we find in this great and important constituency represented by my hon. friend? I do not like to make

any distinction between members of the cabinet, but perhaps the members of the cabinet will agree with me when I say that next to the Prime Minister the Minister of Finance is the most important member of the council. Yet here is a constituency, represented as I say by the minister second in importance in the cabinet, treated in this way by the Minister of Trade and Commerce; for what has the Minister of Trade and Commerce done in this connection? In spite of the fact that a contract was entered into with a good Tory, a nice fellow and a personal friend of mine—he does not help me in election time but that doesn't matter—we find this service reduced by $3,750.

Mr. STEVENS: There is no contract there except a year to year contract.

Mr. DUFF: Well, may I ask the Minister of Trade and Commerce whether the contractor was consulted before the amount was reduced and whether or not the contractor agreed?

Mr. STEVENS: The contract for the $33,750 is the current contract which expires shortly. No new contract has been entered into.

Mr. DUFF: How can the Minister of Trade and Commerce either through the statistical department or by any other means, arrive at this arbitrary sum of $30,000? How does he know that my good friend, the good Conservative who owns the boat, will accept it?

Mr. STEVENS: He may not.

Mr. DUFF: And I suppose the minister does not care whether he does or not. But I care, and the Minister of Finance cares, though that gentleman cannot get up on the floor and criticize his brother minister. I hope, however, that he will do it in council to-morrow morning after he hears what I have to say to-night. I ask the Minister of Trade and Commerce: Is this sort of thing fair to his colleague the Minister of Finance, the gentleman who is carrying the financial burden of this country and who is trying to bring in a new Bank Act? Is it fair to that minister to make this reduction without consulting him? Without consulting the Minister of Finance or the contractor he deliberately reduces this contract by $3,750, not knowing, as he has just admitted, whether the contractor will accept it or not. And suppose, for the sake of argument, that the contractor does not accept it; what will happen? What will happen in the county represented by the Minister of Finance and in my own constituency, one of the most important parts of the province of Nova Scotia, where this service goes on? In the light of the fact that the Minister of Trade and Commerce has increased the subsidy in his own province to $22,800, is he going to throw out of gear the whole maritime problem as it affects my own constituency and that of the Minister of Finance, without consulting either the Minister of Finance or poor little me? Surely that is not fair; it is not good business for the Minister of Trade and Commerce to make this reduction deliberately with a view to balancing the budget—because that is the whole game. And after all it is only balancing the budget on paper; you may reduce the estimates as much as you like, or put in anything you like, but you will not balance your budget unless you get the revenue. Yet the Minister of Trade and Commerce, for some reason best known to himself, deliberately jeopardises the position of the Minister of Finance and my position in our two counties by reducing this subsidy by $3,750. Oh, yes. But that does not satisfy this Cassius—is that a good word?—in the person of the Minister of Trade and Commerce.

There must be some Scotch in the English Minister of Trade and Commerce because he is not satisfied with deliberately going out of his way to reduce the subsidy in the county represented by my good friend the Minister of Finance and in my own county as well, but he takes another crack at my constituency. Here is the service between Mulgrave and Guysborough, calling at intermediate ports, reduced from $10,500 to $9,500—a very important service. The Minister of Trade and Commerce was one of those who sat around the council board when my hon. friend from Pictou, before he was a member, came at his own expense to Ottawa and urged that a railway be built through part of his county and part of mine in order that the people might have railway accommodation—and I thank the hon. gentleman for having done it. But it was deliberately decided not to go on with the building of that railway, so that the only communication the people have is this water transportation between Mulgrave and Guysborough.

Mr. CANTLEY: They are shipping lumber over my end of it now.

Mr. DUFF: My hon. friend is stronger than I thought he was. The only means of communication the people have there in the winter time, especially when the roads are blocked with snow and ice, is by steamer be-

tween Guysborough and Mulgrave. They have no railway communication, notwithstanding that the people of Guysborough pay their share of interest on railway indebtedness, and paid their share of rights of way in Nova Scotia and other parts of the dominion. The Minister of Trade and Commerce, in the face of that, reduces the subsidy this year, and he cannot say that there is no contract in this instance.

Mr. STEVENS: The present one will be completed out of the vote of this year and no new contract will be entered into after the end of the fiscal year.

Mr. DUFF: In other words, he is paying $10,500 up to the end of this month and, without consulting the owners of the steamer or the Guysborough board of trade, without consulting the people of Mulgrave or the town council or anyone else, he arbitrarily decides that all that this government will pay for the service is $9,500.

Mr. ERNST: Does the hon. member know what happened—whether that service was making a profit or otherwise? I am anxious to know whether it has operated at a profit or a loss. Will it have to go into debt to be able to continue?

Mr. DUFF: I am delighted that my hon. friend has interjected that question, and for two reasons. First, I notice in these estimates for subsidies and even in last year's estimates for subsidies—

Mr. ERNST: There is none for Lunenburg.

Mr. DUFF: There is no subsidy for a service between Halifax and La Have. When I was member for the constituency of Lunenburg, the federal government paid $6,000 for a service between Halifax and La Have. Ever since the present government has been in power, with the hon. member opposite representing that constituency supporting the administration, the subsidy has been cut out. Did the hon. member ask that the subsidy be cut off because the service did not pay?

Mr. ERNST: It did not pay; it has been taken off and I have ever since been asking the minister to restore the subsidy.

Mr. DUFF: The hon. member may have been urging the minister, but his urging does not amount to very much. He deliberately got himself into this argument and I am delighted to join him in advocating this particular subsidy. He asked me if this Guysborough service is paying. Of course I have not the books of the company and I do not know, but the owners of the steamship company have told me that, in view of the fact that the government reduced the subsidy last year, they were compelled to take the cook off the boat, so that if, for instance, the boat got stuck in the ice as it is at present in the strait of Canso, and was held up over night in the lee of Bear island or Sand point, there is no food on board and no cook to boil the kettle. I thank the hon. member for Queens-Lunenburg for asking whether the steamer was paying. Hon. members know the saying about somebody stepping in where angels fear to tread. But because the government reduced the subsidy from $10,500 to $9,500, the steamship company was compelled to take off the cook and the stewardess so that the passengers aboard cannot get a meal and the crew have to wait until they reach Mulgrave or Guysborough to get something to eat. Surely the hon. member will realize that when a steamer cannot have a cook or a stewardess or food aboard, the company is not making very much money. I say to the Minister of Trade and Commerce it is not right or fair that the people who put boats on those services and in some cases purchased ships for the special purpose of carrying on a service, should, without being consulted, find, as I said before, that the government in order to make a good showing has reduced the subsidy. This is especially true in the case of my good friend the member for Queens-Lunenburg. I am just as much interested as he is in that service between Halifax and La Have which has been cut out with the result that the people of that important district have now to haul their freight twelve, fourteen or sixteen miles from the town of Bridgewater to La Have or to the town of Riverport. Just because this government are penurious or because they cannot govern properly and collect sufficient revenues, they have to cut out the steamship service between La Have and Halifax.

Mr. VENIOT: Can the minister inform me as to the number of passengers and the quantity of freight carried on the service between Charlottetown, Victoria and Halliday's wharf.

Mr. STEVENS: The vessel made 211 trips and carried 3,580 passengers, 10,000 barrels of freight and 184 head of live stock.

Mr. VENIOT: What is the distance?

Mr. STEVENS: The service is rather irregular, but the longest distance is twenty-six miles.

Mr. REID: What are the names of the companies receiving subsidies on the Pacific coast?

Mr. STEVENS: The China service?

Mr. REID: All of them. I would like to know particularly what the Canadian National and the Canadian Pacific get for the coastwise service there.

Mr. STEVENS: There are a number of them, as follows:

The China Service: British Canadian Steamships, Limited.
South African Service: Java Pacific Line.
Mail Service to China and Japan: Canadian Pacific Railway Company.
Service to New Zealand and Australia: Canadian Australasian Line.
Service to Prince Rupert and Queen Charlotte Islands: Canadian National Steamship Service.
Service to Victoria and the West Indies: Canadian Transport Company, Limited.
Service to Vancouver and northern British Columbia ports: Union Steamships, Limited.
Victoria, Vancouver and Skagway Service: Canadian Pacific Railway Company.
West Coast, Vancouver Island Service: Canadian Pacific Railway Company.

Mr. REID: The minister will perhaps remember that last year I discussed with him the question of the government taking steps to endeavour to have the companies use quite a proportion of white labour. Have any efforts been made along those lines? I think the minister said that negotiations would proceed after the house rose.

Mr. STEVENS: I do not know that I can add much to what was said last year. As regards the service between the coast of British Columbia and the orient, the main service is, of course, the very fine Trans-Pacific mail service by the Canadian Pacific Steamships, and the company states very frankly, handicapped as they are in competition with two large Japanese lines and a long list, which I have among my notes somewhere, of United States lines, all of which are subsidized two or three times as heavily as are the Canadian companies, it would be impossible for the Canadian Pacific to compete with these other services and pay the high rates of wages that would be paid to an entirely white crew. That is one reason. It must be remembered, of course, that these matters are not under our control except in so far as we contribute something for the mail carriage in that class of ship. Second, these ships run to Hongkong as the terminal point in the orient which is a British Chinese area, and the Chinese residents of Hongkong, who claim to be British subjects, claim the right of service on these ships just as well as anyone else, and I do not know that they can be denied. The third reason is that these ships travel a substantial portion of the distance in tropical or semi-tropical waters. All these reasons lend themselves to the use in part of oriental crews. I am well aware of the views entertained by residents of British Columbia that they should have the exclusive right of employment on these ships, but I think a survey of the situation must convince any reasonable person that to adopt that rule would simply mean the elimination of that service from the Pacific ocean.

I do not know that I can add anything to these observations. I fully appreciate and sympathize with the laudable desire of residents, in Vancouver and Victoria chiefly, to be given this employment; but there is reason in all things, and I fear one could not with reason sustain the demand that only white crews should be carried.

Mr. RALSTON: Will the minister tell me if any services are omitted this year that were carried on last year?

Mr. STEVENS: That between the mainland, Miscou and Shippigan.

Mr. ERNST: That was discontinued two years ago, not this year.

Mr. RALSTON: Have I an answer from the minister?

Mr. STEVENS: That is the answer—the service between the mainland and Shippigan.

Mr. DUFF: It is usual when a member asks questions for the minister to answer. In my case either silence gave consent or the minister has nothing to say. I would like to get back for the moment to the Prime Minister's idea of the sanctity of contracts. I notice he is not in his seat; perhaps he has gone to look up the constitutional law on the subject. I would like to ask the Minister of Trade and Commerce, in view of the fact that the government and the people of Canada have a contract with the steamship company that has been plying between Pictou and Charlottetown at $40,000 a year, what position the people of this country are in if that steamship company should take action against the government? Would we employ Peter White, or Newton Wesley Rowell, at a large expense, $100 or $200 a day, to defend the government, or what is the real position? I would like the minister to tell the committee whether the government can violate a solemn contract by

reducing the amount payable, first from $40,000 to $30,000, and now, by another $10,000. Is there a contract or what is the situation?

Mr. STEVENS: I am pleased to be able to answer my hon. friend. I listened with great interest to all his remarks, and I intend to give careful thought and consideration to what he has said. In regard to the contracts to which he refers, I may say that with very few exceptions these subvention contracts are yearly contracts. That is, parliament will vote a certain sum of money; in some instances tenders are called for and contracts let as a result of the tenders, but where a service has been carried on from year to year by the same person or company or boat, the practice usually is that the contract is renewed by entering into another contract. In the case of the one particularly mentioned by my hon. friend, the service between Charlottetown and Pictou, there was a contract entered into originally in 1924 for five years, and at the expiration of that term another contract was entered into for a further period of five years at $40,000 per year. In all these contracts there is a clause making it subject to the amount being voted by parliament. It is also covenanted that the contractor will accept the amount so voted by parliament. Now the hon. gentleman a little while ago argued quite earnestly this point: is the government discharging its obligation as a party to the contract by submitting to parliament a figure other than the figure stated in the contract? The advice I have received on that point—it is one to which I gave careful consideration—is that it is quite competent for the government in submitting its estimates to submit whatever sum it may see fit in regard to these matters. The government having submitted an estimate to parliament, and parliament accepting it, that constitutes a fulfilment of the contract as far as the government is concerned. Or putting it another way, there is no recourse against the government for taking that procedure. I have given some thought to the point raised by my hon. friend, and I think perhaps it could be argued the other way, but I am definitely assured that there would be no chance of recovery by contractors who might take the action he has suggested in that regard.

But there is something more to this. I do not wish to criticize or reflect upon any services, but some of the services which were entered into in buoyant periods are not justified to-day. There has been in many instances a contraction in the use of the services. In some cases highways which have been developed have taken much of the traffic.

My duty in studying these matters is to try to bring the amounts to be paid within reasonable bounds. I well know that there is always local feeling, always a demand for further amounts. But one must exercise his best judgment in such matters. I do not blame my hon. friend or one or two hon. members on this side who have pressed their claims very vigorously; I appreciate their viewpoint and their difficulties. I assure my hon. friend from Antigonish-Guysborough that it would be pleasant indeed if I were able to respond to all these demands, but I have felt it my duty in some measure to restrict the expediture on this account. I have tried to do so keeping in mind the merits and the value of the services.

One of the commonest arguments advanced for the continuance of these subsidies is that we have had them in the past. I think hon. gentlemen will recognize that while such an argument may be acceptable in buoyant times when revenues are coming in freely, in difficult times when every dollar of expenditure must be examined with care the argument is not a very sound one. The result is that we have lessened in some respects the subventions for these services.

Then my hon. friend appeared to be a little disturbed because there was an increase in the British Columbia-Australia and China service. The reason for that increase is this: we pay so much a trip on that service, and additional trips were made. The increase in the cargoes carried was very substantial, and the value to the Dominion of Canada—it is not a question of British Columbia only—was such that we felt warranted in the payment of the additional amount for the additional number of trips. It is not an increase in the value of the subsidy but rather the value of the trans-Pacific trips that will be made.

Mr. REID: Would the minister mind giving the amount per trip?

Mr. STEVENS: It is $4,950. If the trips are not made this subvention will not be paid. Therefore it does not follow that the whole amount will be paid, but we must provide for it in anticipation of the trips that will be made.

Mr. DUFF: I have listened with a great deal of interest to the minister's special pleading, and I can understand that if the freight and passenger traffic went over the highways instead of by these steamers that might be a reason for the reduction of these

subsidies. I do not know how much geography the minister knows, but surely he does not suggest that there is a highway between Pictou and Charlottetown.

Mr. STEVENS: No.

Mr. DUFF: The minister's answer was that the subsidy was decreased because in the last few years the people had started to use the highways instead of the old water route. That certainly does not apply to the service between Pictou and Charlottetown, where the only highway is the broad Northumberland strait which sometimes gets pretty rough.

Mr. STEVENS: Of course there was the introduction of the car ferry, which carries a good deal of the traffic, and which was installed after this original contract was entered into.

Mr. DUFF: The minister is wrong there; the car ferry has been in service for a great many years. It is true that under the Liberal government a specially equipped ferry was built and put in service between Cape Tormentine and Borden, but this contract for the service between Pictou and Charlottetown was entered into in solemn form between the owner of the steamship and His Majesty the King represented by the Minister of Trade and Commerce, and the government agreed to pay a certain amount of money for a certain specific service between Pictou and Charlottetown.

Let me say to the minister that this is a most important service. The service from Cape Tormentine to Borden does not take care of the traffic from Pictou to Charlottetown, which is the traffic from eastern Nova Scotia and Halifax, including the mail. So the minister cannot argue that he has reduced these subsidies because a new system of transportation has been adopted, or because of the car ferry service between Cape Tormentine and Borden.

The minister said something about the sanctity of contracts, and he went on to state that in these contracts there is a clause which states that if parliament does not vote the money an action cannot be brought against the government. That is quite so, but the minister did not go far enough. There is no clause in the contract which states that the contractor cannot sue the government if the minister deliberately reduces the amount from $40,000 to $20,000. That is a different matter altogether; that is a deliberate breach of contract on the part of the government. I can understand that if this high court of parliament were asked to vote $40,000; if someone moved to reduce the amount to $20,000 and parliament voted only $20,000, then the skirts of the minister and the government would be clear and the contractor could not sue the government for the difference. I repeat, however, that there is no clause in the contract which permits this government deliberately and maliciously to reduce the amount payable under this contract by $20,000 without first submitting the original amount to parliament.

The minister says that these subsidies have been reduced because conditions have changed and there are other methods of transportation. Again I want to say a good word for the county of Richmond, so let us take the service between Mulgrave, Arichat and Canso. This boat leaves Canso in the morning and crosses Chedabucto bay into Arichat, and where is Arichat? I am specific in my remarks because I want to try to show the minister where he is wrong and where his departmental officials perhaps have advised him wrongly in connection with the reduction of these subsidies. This service goes to Madame island in the strait of Canso; it does not go to the mainland. Arichat is the principal port of that island and Petit de Grat is one of the principal villages; this is in the constituency represented by the Minister of Finance. It is true there is a highway, but it is not a main highway. Arichat is at least fifteen or twenty miles from the main highway from Hawkesbury to Sydney, yet my hon. friend tries to tell this committee that the reason this amount is reduced is because there are new means of transportation. There is absolutely nothing in that argument. Does my hon. friend want a passenger or a bale of goods coming from Halifax to go to Mulgrave, then cross the strait of Canso to Point Tupper and then go by highway to Grande Anse, and from that point on the main highway to Arichat, or is he going to let the people of Isle Madame go direct from Mulgrave to Arichat by steamer?

This service is in the constituency of the Minister of Finance, so there is no particular reason why I should be anxious about it except that I am interested in business in that part of Nova Scotia. The people on Isle Madame are fishermen; they have to ship all their fish from Petite de Grat or Arichat to Mulgrave. Does the minister want to tell me that it is fair or reasonable to expect the people of Petite de Grat or Arichat to send their fresh fish by truck—not even by motor truck, because there are only one or two cars there, but by horse and cart—from Arichat or Petite de Grat to Grande Anse and then either by the railway to Point Tupper or the whole distance by road? Does the minister

expect that to be done? It is no wonder the fisheries in that part of Nova Scotia are in such a deplorable condition when their only real means of transportation, which is the service between Canso, Arichat and Mulgrave, is cut down by the minister to the extent of $3,750 without—and I say it in all kindness—knowing the circumstances in connection with the matter.

This service touches at Canso, one of the most important fishing points on the coast of Nova Scotia, and the landing point for both commercial cables and the Western Union cable. Suppose this contractor refuses to accept the reduction. If a contract is a sacred thing, can the minister compel this contractor to accept this amount? Of course he cannot. I suppose the minister is working on the idea of this mass buying business—sweat shops, Loblaws, Eatons and Simpsons. Oh, it is a terrible thing for them to do mass buying, but the minister is trying to do mass buying by starving out cooks and stewardesses on the Westport; that is the kind of mass buying he is doing so far as Nova Scotia is concerned. He is cutting down service, and he is deliberately starving service.

The same applies to my own town of Guysborough. The only service they have—they are forty miles away from a railway—from the first of September to the middle of March, yes, even the first of May, is a little boat which runs from Guysborough to Queensport, and then on to Mulgrave. Well, the Minister of Trade and Commerce in the exercise of his penny wise and pound foolish policy is compelling the fish buyers to say: "No, we cannot take more fish from you, because when winter comes the boat will not be running and we will have no means of transportation." They cannot go out and get mackerel or herring, because this parsimonious government, this Tory government, has reduced the subsidy to $9,500. No wonder the trade of the country is in its present terrible condition. The minister is responsible, more than anyone else, so far as his department is concerned, for the statistics with regard to trade. No wonder the trade of this country has fallen off by almost two-thirds of its volume when the minister of a great department, one who should do everything possible to increase the trade of the country, deliberately and for the sake of saving a few lousy and measly dollars reduces the subsidy.

Mr. MacNICOL: I should like to refer the minister to a report issued recently by the Canadian Association of Seamen in reference to subsidized Canadian shipping from Vancouver and Victoria to the Asiatic ports. The report states that on Canadian ships there are 2,574 oriental workers, and that on all foreign ships, particularly Danish, Norwegian, American, French and German, entering Vancouver and Victoria harbours the sailors are the nationals of those respective countries. I should like to ask the minister if he can state whether or not that statement is correct, namely that all other ships entering our western harbours employ their own nationals? Then, in view of the fact that Canada gives to the Canadian ships plying between our western ports and Asiatic ports approximately $900,000 per year, and owing to the fact that on board these ships there are 2,574 orientals working, which means the displacement of that number of Canadian sailors, etc., is there anything the government can do to see that Canadian seamen are employed on board Canadian ships receiving subsidies from Canada?

Mr. DUFF: Before the minister replies may I say this: How would it be for the hon. member to suggest to the Minister of Trade and Commerce that he should get a Chinese cook for the Westport between Mulgrave and Guysborough?

Mr. STEVENS: I gave a full answer only a few moments ago to the question asked by the hon. member.

Mr. REID: Perhaps this question does not come within the minister's department, but I should like to ask if any criticisms have been made to him regarding allegations in connection with the Canadian Pacific Railway Company bringing engineers from the old country. I wonder if the minister has any information on that point? Strong representations in that regard have been made to almost every member from the province of British Columbia.

Mr. STEVENS: The statement is denied, absolutely. There may be cases where the Canadian Pacific Railway Company, which operates a large fleet of ships on both oceans, might promote a man from a junior position on one of its Atlantic steamships to a position on the Pacific. The reverse often obtains, where a man is promoted from the Pacific to the Atlantic; for instance, I know some of the captains running on the larger ships on the Atlantic were formerly captains on the Pacific. It is quite true that a number of these men are Scotchmen, particularly the engineers. I am quite sure my hon. friend would not criticize the Canadian Pacific Railway Company for using Scotch engineers. They were not imported for that purpose. A Scotchman, or, like myself, an Englishman,

might come to this country, become a good Canadian citizen and be entitled to all the privileges of Canadian citizenship. That is precisely what happened in these cases. They are not imported in the sense in which that word has been used.

Mr. MacINNIS: When I entered the chamber a short time ago the minister was answering a question asked by the hon. member for New Westminster in regard to the employment of Asiatics on some of the ships running out of Vancouver. We discussed this matter last year. Although I heard the minister's reply to the hon. member I am not satisfied. Here we have a situation where the government are giving assistance, and where they give such assistance they usually stipulate fair wages and proper working conditions. I do not know whether the minister is aware of this—I believe he is—that so far as the paying of low wages and maintaining poor working conditions are concerned possibly the shipping industries are greater offenders than any other industry in the Dominion of Canada. When the government subsidizes to the extent of over $2,000,000 per year I maintain that some stipulation should be made as to the wages paid to the men on those ships, and also the conditions under which they work. I am not particularly concerned as to whether they employ Asiatics, Canadians or white help of any nationality, but I am convinced that if fair wages and fair working conditions were stipulated by the government, before paying subsidies, there would be sufficient inducement to these companies to employ white help. I have had many complaints, as, no doubt, have the hon. member for New Westminster and the Minister of Trade and Commerce himself. Probably the minister receives more of these complaints than any other hon. member from British Columbia. I am convinced that something should be done to rectify this condition. Last year the minister promised that he would look into the matter. I do not know whether or not he has done so—I know he has had a busy year—but I am suggesting it is a matter which should be thoroughly investigated.

Mr. STEVENS: I believe I have already covered the question. As I said a minute ago, I have nothing to add. There was one further point raised, and I might say this: Apart from the complaints of those who desire to replace the Chinese in crews with British Columbia citizens, we have had no complaints from any source regarding the rate of wages or conditions of labour on these ships. I have made inquiries, and I cannot find anything of the kind.

Mr. MacINNIS: I have had any number of complaints as to the wages paid on ships plying from Vancouver. I have also had complaints in connection with ships on the Atlantic coast and on some of the local services. Only to-day I received a complaint in connection with the Clarke Steamship Company, which company, I am told, is one of the worst offenders so far as paying low wages is concerned. I have no doubt that white help is employed on these local services, particularly in the east, but before these subsidies are paid I think the government should take steps to find out what are the wages paid and the working conditions of the men.

Mr. STEVENS: My hon. friend was referring previously to the Pacific coast. We have received a complaint regarding the Clarke Steamship Company and I understand negotiations are being carried on between the representatives of the company and the seamen's association or union. This matter is under advisement in the department.

Mr. RALSTON: Could the minister tell me what boat is now running between Baddeck and Iona?

Mr. STEVENS: No boat is operating at present owing to the ice conditions, but the regular steamship is the Pearl Cann.

Mr. RALSTON: Is that the boat that has been in the service right along?

Mr. STEVENS: For some time, yes.

Mr. RALSTON: Is there any agreement between the owners and the government as to this reduction of fifty per cent?

Mr. STEVENS: They signed a contract for 1933.

Mr. RALSTON: In reply to the hon. member for Antigonish-Guysborough (Mr. Duff) the minister stated that he had advice as to the non-liability of the department in the case of a reduction in subsidies, due to the fact that there was a clause in the contracts making a subsidy subject to vote by parliament. Circumstances may be different now—I do not think they are—but I should like to direct the attention of the minister to what occurred in 1930. When the minister made that statement I recalled a discussion which took place in 1930 between the Prime Minister (Mr. Bennett), then leader of the opposition, and the then Minister of Trade and Commerce (Mr. Malcolm). The then Minister of Trade

and Commerce was taken severely to task for stating that the payments under the contract were always subject to a vote of parliament. I should like to quote from page 2862 of Hansard of May 29, 1930, as follows:

Mr. Bennett: You cannot do these things by order in council; there must be legislative authority to do it. The government get over it by saying: We do not bind ourselves for more than one year, but we fill in ten years or whatever sounds good to the person exploiting the subsidy.

Mr. Malcolm: My hon. friend knows parliamentary procedure better than I do. But how could we do it if we did not pass an order in council?

Mr. Bennett: By coming to this parliament.

Mr. Malcolm: We do.

Mr. Bennett: No, only a year after. Suppose something happens to the government?

Mr. Malcolm: Well, if my hon. friend does not vote the money next year—

Mr. Bennett: Then there is an action in the exchequer court for damages.

Mr. Malcolm: There is a clause in the contract to that effect. It has been going on for years.

The present Minister of Railways and Canals (Mr. Manion) then moved that the item be struck out. The present Prime Minister was very positive at that time that there would be grounds for an action for damages. I just mention this to the minister.

Mr. STEVENS: I would not presume to put my opinion on legal matters against the opinion either of the Prime Minister or of my hon. friend.

Mr. DUFF: What about my opinion?

Mr. STEVENS: I have profound respect for my hon. friend as a sea lawyer.

Mr. RALSTON: I am expressing no opinion; I am simply calling my hon. friend's attention to the fact that the present Prime Minister expressed an opposite opinion to what I understood he said he had been advised.

Mr. STEVENS: I note what my hon. friend has said.

Mr. POWER: What is the total amount paid to the Canadian Pacific Railway Company by way of mail subsidies and steamship subventions?

Mr. STEVENS: For the service between Canada and the United Kingdom on the Atlantic it is $500,000.

Mr. POWER: Is that all Canadian Pacific?

Mr. STEVENS: Yes. For the service between Canada, China and Japan the vote is $600,000.

Mr. POWER: Is that all the Canadian Pacific Railway Company receives?

Mr. STEVENS: No, there are some local services. For the service between Victoria and west coast of Vancouver island they receive $10,000, and for the service between Victoria, Vancouver, way ports and Skagway, they receive $12,000.

Mr. POWER: A little over a million dollars?

Mr. STEVENS: Yes. These subsidies provide for the carrying of all mails which were previously paid for by the ton.

Mr. POWER: Is this paid on a trip basis or is it just a lump sum?

Mr. STEVENS: It is on an annual basis with a guarantee of regular sailings. My hon. friend knows the general run of their services. Previously we paid for the carriage of the mails but now we do not; it is within the ambit of this contract.

Mr. POWER: Is the Canada, China and Japan service on a yearly basis?

Mr. STEVENS: A yearly basis with a guarantee of certain sailings.

Mr. POWER: Am I to understand that the Canadian Pacific would put on a new boat on this service such as the Empress of Japan without having some guarantee from the government that they were to receive a subsidy over a term of years? Is there not something in the contract or in the arrangement between the Canadian Pacific Railway Company and the government under which if the money is voted by parliament it will continue to be paid over a period of years?

Mr. STEVENS: There is nothing; it is voted from year to year.

Mr. POWER: Is there any arrangement with the Canadian Pacific?

Mr. STEVENS: Nothing that is not disclosed in the estimates.

Mr. POWER: There is no long term contract with the Canadian Pacific in connection with the China and Japan service?

Mr. STEVENS: No, it is made from year to year.

Mr. POWER: No undertaking was entered into either by this or by the former government that this subsidy would continue over a period of years?

Mr. STEVENS: I cannot speak for the former government, but my officials advise

me that there was no such undertaking. As far as this government is concerned I can speak, and I say, no.

Mr. POWER: Is there any clause in this contract to provide that in consideration of the subsidy of $600,000, fair, reasonable and equitable wages will be paid?

Mr. STEVENS: Such a clause has never been included in any subvention since they were first given.

Mr. POWER: Since the minister has become the apostle of fairly high wages in this country, does he not think that he in his administrative capacity and his department should endeavour to see that something better than slave wages are paid on vessels operating under subventions paid by this government?

Mr. STEVENS: First, I thank my hon. friend for the apostolic suggestion. Second, I shall take his suggestion into earnest consideration.

Mr. POWER: Thank you.

Mr. STEVENS: I mean it.

Mr. POWER: If the minister means it, I thank him twice.

Mr. MacINNIS: What company is paid a subsidy for the Vancouver-British West Indies service?

Mr. STEVENS: I gave that information a short time ago; it is the Canadian Transport Company.

Mr. MacINNIS: Do not the boats of this company go from the West Indies to British ports where they discharge most of their cargoes?

Mr. STEVENS: This is what we call an outward contract. Such a contract is not uncommon to Canada. Certain sailings are guaranteed by the steamship companies, in this case one a month, but there is no obligation for a corresponding return service. The main reason for this subsidy is to provide the West Indies with fodder, such as oats and hay, as well as with fish and other important products such as lumber. Those are probably the four main products involved, and it was largely to facilitate their movement that this service was inaugurated.

Mr. NEILL: Did I understand the minister to say that in the contract with the Canadian Pacific Railway Company the system had been abandoned of paying them anything for the carriage of mail, and that it was all included in the subsidy for the service?

[Mr. Stevens.]

Mr. STEVENS: Yes.

Mr. NEILL: Particularly as regards the service on the west coast of Vancouver island?

Mr. STEVENS: I was referring to the Atlantic and trans-Pacific service when I made that statement.

Mr. NEILL: And it does not refer to Vancouver island?

Mr. STEVENS: They carry the mail free of charge also.

Mr. NEILL: Some months ago I had occasion to ask for a little extension of the postal service on the west coast of Vancouver island, and the postal people—not the Canadian Pacific Railway—replied that it would be a matter of expense, because they would have to be paid fifteen cents a mile.

Mr. STEVENS: My hon. friend did not do me the courtesy of bringing it to my attention and I cannot answer for the Post Office Department.

Item agreed to.

Trade and Commerce—salaries, $548,766; contingencies, $40,000.

Mr. STEVENS: This is the ordinary civil government vote.

Mr. DUFF: This vote I understand is subject to the ten per cent reduction?

Mr. STEVENS: Yes.

Mr. DUFF: Do I understand that we pass the vote subject to the same consideration as the others affecting salaries?

Mr. STEVENS: Absolutely.

Mr. DUFF: Can the minister tell us whether the government has considered paying the full amount instead of ninety per cent?

Mr. STEVENS: It is still under consideration. It will be decided very shortly and the house advised.

Mr. MacLEAN: Is there anything in the estimates for cable service, transatlantic or otherwise?

Mr. STEVENS: No.

Item agreed to.

EXTERNAL AFFAIRS

London, salaries and expenses of the office of the High Commissioner for Canada, including $1,800 additional salary for the High Commissioner to that authorized by chap. 15, R.S.C., $121,160.

Right Hon. R. B. BENNETT (Prime Minister): If the committee is prepared to take up the items of External Affairs I will leave one item open in order that the fullest discussion may take place with respect to all items, so that we may put them through according to the usual custom. The item that I would leave would probably be 198, which is the Tokyo vote, about which the hon. member for Bow River desired to make some observations, and I believe the hon. member for Charlevoix-Saguenay also. If the committee prefers, any one of the succeeding items can be left, but I thought that it might be best to leave the Tokyo item, it being understood that the whole appropriation may be discussed on that one item.

Mr. POWER: There would be no objection to discussing the League of Nations vote?

Mr. BENNETT: No.

Mr. POWER: I suggest that you leave 200.

Mr. STEWART (Edmonton): There is an item of $600,000 for the High Commissioner in London for advertising and publicity.

Mr. BENNETT: That is not in this item. It has to do with the Department of Trade and Commerce, miscellaneous, and refers to advertising in the United Kingdom and on the continent of Europe. It is not chargeable against the high commissioner's office but is under his direction. I think I had better leave item 198 open, in view of the fact that the hon. member for Bow River asked some questions yesterday, but in addition to that I shall leave item 200 open. I shall call item 199.

Item agreed to.

To provide for the establishment of a trust fund of $25,000, as an expression of the friendly interest of Canada in the celebration in 1930 of the 1,000th anniversary of the establishment of the Icelandic parliament, $25,000.

Mr. POWER: It seems that we voted this $25,000 two years ago and it has never been paid.

Mr. BENNETT: By arrangement with the government of Iceland the amount was not paid, but interest on it was paid pending the completion of the trust. That having now been completed to our satisfaction, the payment is to be made. This represents an amount agreed upon by both parties in connection with the celebration of the one-thousandth anniversary of the Icelandic parliament.

Item agreed to.

Canada's contribution to the expenses of the International Commission for Air Navigation for 1934, $2,150.

Mr. STEWART (Edmonton): This is for air navigation. Can the Prime Minister give us some information ?

Mr. BENNETT: Perhaps the hon. gentleman knows that before this government came into power there was organized an international air commission dealing with problems common to all nations, and contributions have been made from time to time for the purpose of enabling the commission to function. Our contribution is $2,150. I am speaking from memory, but I think that is a correct statement of the situation.

Mr. VENIOT: I do not know if I am right in asking this question, but I shall submit it in connection with this item. Has anything been decided as to international or transatlantic air navigation, or how far has the matter proceeded?

Mr. BENNETT: For obvious reasons I am not in a position to make known the extent to which the discussions have gone, but representatives from Great Britain and of United States interests have conferred with representatives of Canadian interests. All I can say to the hon. gentleman is that the question is the subject matter of conversations and discussions, but no conclusions have yet been reached.

Item agreed to.

Expenses of the Wheat Advisory Committee for 1934, Canada's assessment, $1,955.

Mr. YOUNG: Earlier in the week the Prime Minister told us that by the end of the week he would probably be in a position to give us a detailed statement as to the true situation in regard to the wheat agreement. Can he do so to-night?

Mr. BENNETT: Not the true situation, but to make a more extended statement. I intended, when the orders of the day were called this afternoon, to have said that I would not be in possession of the information until after Monday. I had a telephone message to-day stating that the gentleman who went from my office to the west will be back on Monday. I shall not be here on that day, but on the first day after my return I shall make a statement.

This item refers to our contribution to the maintenance of the advisory board in London which is presided over, as is known, by a Canadian, Mr. Cairns, who used to live in western Canada.

Mr. YOUNG: When the Prime Minister gives the statement of which he speaks, will there be an opportunity for the house to debate the matter, or would it be better to allow this item to stand so that we may debate it later?

Mr. BENNETT: I see no reason that an opportunity should not be afforded, while the estimates are under discussion, for any debate that may be desired, and if it is felt that this item will afford a suitable opportunity for that purpose, it may stand.

Item stands.

Canada's portion of expenditure of the Imperial economic committee, the Imperial shipping committee, and the executive council of the Imperial Agricultural Bureaux for 1934, $18,690.

Mr. BENNETT: Perhaps the committee has some knowledge of the circumstances out of which this arises. When the representatives of the dominions met in London with the representatives of the British government and decided to discontinue the operations of the marketing board, there were certain obligations which the dominions undertook to discharge, one of them being in connection with the Imperial Economic committee, which renders valuable service to the dominion; another with respect to the Imperial Shipping committee, which renders invaluable service to us in connection with insurance rates and matters of the kind of which perhaps hon. gentlemen opposite are as well aware as I am; and another dealing with the agricultural bureaux. I cannot recall the entire amount of the expenditures for 1934, but our contribution was $18,690.

Mr. STEWART (Edmonton): Are all the dominions contributing a like amount?

Mr. BENNETT: They fix the amounts of their contributions by mutual arrangement. My memory at the moment is this: ours is of course, because of our population, the largest contribution other than that of Great Britain. The Free State, I think, is making some contribution but it is the smallest of all. I do not think there is anything about the matter that calls for a more elaborate statement than what I have indicated as to how it came into being, but if the committee feels it desires further information I shall be glad to see that it is furnished.

Mr. POWER: I suppose we may assume that this will be a more or less continuing item to which we are committed for years to come?

[Mr. Bennett.]

Mr. BENNETT: There is no commitment for any length of time. But the service rendered by the Imperial Shipping committee which is presided over by Sir Halford MacKinder and which has had largely to do with insurance rates is of great importance.

Mr. STEWART (Edmonton): It is very important.

Mr. BENNETT: I would not say that there is any commitment that extends into years; it is just from year to year.

Mr. STEWART (Edmonton): What is the nature of the activities of the agricultural bureaux?

Mr. BENNETT: Just as its name indicates, it is for the purpose of supplying information that will—shall I put it in this way—make for an increase in the sale of our commodities, for instance, our wheat as one commodity, its quality and matters of that kind. The bureaux deal with that and collect statistics. I suppose it is known to the committee that for the last twenty-five or thirty years we have been making contributions to what is called the International Institute of Agriculture that meets at Rome. The other is confined to the empire alone, doing somewhat the same service, only perhaps in a little more intensive manner than that given by the institute at Rome.

Mr. STEWART (Edmonton): I was wondering whether this is supplementary. We are not discontinuing the services of the institute at Rome which gives a world service. Is this confined to the empire?

Mr. BENNETT: Yes.

Mr. YOUNG: How many of these bureaux are there? I see it is plural.

Mr. BENNETT: I speak solely from memory now; it will be corrected if I am in error. The question of these bureaux is one that various parliaments and legislatures have had to deal with, as the hon. gentleman knows. For instance there was one agricultural bureau, so-called, that dealt with standards of wool at Leeds; I think the hon. gentleman knows something of that. Another dealt with dairy products. These various bureaux are supposed—I put it so in deference to the hon. gentleman—to collect such information as is of value to the departments of agriculture in various parts of the empire. I think that is the shortest way I can put it.

Item agreed to.

Advertising and publicity in the United Kingdom and Europe to be administered by the High Commissioner, $200,000.

Mr. BENNETT: Would the hon. member for West Edmonton like to have this item stand?

Mr. STEWART (Edmonton): Yes, I would prefer to have it stand to-night.

Mr. BENNETT: I think in view of the sparse attendance and the desire indicated by several hon. members to speak about it, the matter may stand. It is one about which the Minister of Trade and Commerce is more completely informed than I. But I should like to say that during the discussions I had with the high commissioner in London with respect to our advertising he pointed out to me the extent to which other parts of the empire are advertising in London. For instance on the hoardings Australian products are largely advertised. I dare say hon. gentlemen will recall seeing the advertisements of Australian and New Zealand products. It was thought that we have not sufficiently availed ourselves of the opportunities available to make known the merits of Canadian products. The same applies to Europe, where the amount expended is much less. After careful investigation we believe that the best interests of all would be served by placing the high commissioner in charge of the whole expenditure, as contemplated by the High Commissioner's Act. This amount represents a smaller sum than is expended by many of the dominions in London alone, but we felt that under existing financial conditions it is as large as we could ask for at the present time. The item will stand, and fuller explanation will be given by the Minister of Trade and Commerce, who has the particulars.

Mr. STEWART (Edmonton): I am glad the Prime Minister allows the item to stand. I am not finding fault with the amount; indeed it is an expenditure I have advocated for a number of years and pressed on the Minister of Trade and Commerce of the late government. But I question the advisability of having it spent under the supervision of the high commissioner, because I have some knowledge of the efficient manner in which the officials of the Department of Trade and Commerce have been carrying on this work. The sole difficulty was that money was not furnished them to do it properly.

Mr. BENNETT: I think I should say to the hon. gentleman that the officials of the Department of Trade and Commerce and other departments in Canada cooperate with the gentleman in charge of publicity, who by the way was appointed by the late administration in London for the purpose of making effective our advertising in England and on the continent. The services of those interested in publicity for the Department of Trade and Commerce will of course be utilized to the fullest extent. I satisfied myself from personal investigation that the services that would be thus rendered to the country, which would include the cost of advertising in English journals and of advertising promoted from this end in that country and on the continent, would be best directed by the director of publicity who is in the high commissioner's office. I think his name is Mr. Gerhaty, and with him is associated a young man named Spence. Mr. Gerhaty, went from here, I think, in 1928 or 1929. I cannot say exactly how long Mr. Spence has been with the department, but they are both very efficient young men and have had experience that enables them by reason of their relations to British papers to render a very considerable service to this country in the way of what I call reading matter advertising, for which no payment is made.

Item stands.

Grant in aid of the Canadian General Council of the Boy Scouts Association, $9,000.

Mr. STEWART (Edmonton): I notice there has been a cut here. Is that in deference to the objections raised by the hon. member for Southeast Grey?

Mr. BENNETT: I think it is uniform, meaning by that not the uniform they wear but the uniform cut.

Item agreed to.

Grant to the Dominion Council of the Girl Guides, $4,860.

Mr. BENNETT: That is reduced ten per cent also.

Item agreed to.

Expenses in connection with the negotiation of treaties, $9,000.

Mr. STEWART (Edmonton): Is that for your treaties?

Mr. BENNETT: No. I thought probably from the standpoint of the opposition they would be considered ten per cent less efficient. But in reality it is thought that the sum of $9,000 will in all probability be sufficient to meet any expense that may be incurred in that direction.

Mr. STEWART (Edmonton): Apparently the Prime Minister does not intend to negotiate many treaties this year. I would rather see this item increased, if he would proceed to negotiate the treaties.

Mr. BENNETT: It is wonderful what you can do in the way of economy when you try. Nine thousand dollars will go a long way.

Item agreed to.

Grant to the Montreal Association for the Blind, $4,050.
Grant to l'Institut Nazareth de Montreal to assist in work with the blind, $4,050.

Mr. BENNETT: These are items for the blind that have appeared from year to year, less ten per cent. I am sorry we had to make the ten per cent cut.

Mr. STEWART (Edmonton): I think this is one reduction that the Prime Minister might have considered a little more seriously. I have always felt that our grants to the blind are not nearly sufficient.

Mr. BENNETT: The hon. gentleman is right.

Mr. STEWART (Edmonton): Great difficulty is experienced in carrying on this work in the various provinces in which institutions for the blind are situated. I feel that the grants have been reduced almost to the breaking point as far as they are concerned.

Mr. BENNETT: The hon. gentleman is quite correct. Representatives of the societies for the blind waited on us and explained their position. It is really a very difficult one. A delegation met me also at Winnipeg; their position is most difficult. However, it will be observed that these grants are payable to the two associations which carry on, shall I say, general operations in Montreal. In view of the representations made by all these bodies, the government felt impelled at the moment to make the ten per cent of general application. We so advised them at the time. I am afraid that not to apply it in one case, where I will admit there is perhaps a stronger claim than in others, is only to invite difficulty and continuous correspondence in which it would be urged that we did not reduce this and did reduce that. Personally I would prefer to see it $10,000 rather than the amount it is.

Mr. STEWART (Edmonton): I always felt that it would be much better to forego altogether the two preceding votes, to the Royal Society of Canada and the Royal Canadian Academy of Arts, and give the money to the blind. However, this is not

new as far as I am concerned; I merely reiterate what I said in the past when we were responsible.

Mr. BENNETT: I should like to make this observation without being misunderstood: Great as are the claims of the blind and the suffering, merely because we are passing through an abnormal condition of depression we must not overlook entirely the cultural side of the life of the country. Those two items to which the hon. gentleman refers mean the continuance or the discontinuance of the operations of the royal society and the academy of arts.

Mr. STEWART (Edmonton): It gives them a much better chance to be supported by private subscription.

Mr. BENNETT: They are largely supported in that way, but this means the difference between their being able to carry on and ceasing to function. As the hon. gentleman knows, the royal society came into being in the days of the late Marquis of Lorne, and I think it has discharged a rather fine service to this dominion. Numbered among its presidents are most distinguished scholars, scientists and men of letters, and it has become well and favourably known in every part of the world. One recalls that the royal society in Great Britain occupies a position of outstanding importance and has been maintained with great difficulty since the days of Newton. This society of ours is now half a century old, and its maintenance, I think, is important from the point of view of the cultural life of the dominion. It brings together scholars, thinkers, mathematicians and scientists, and when one looks through the volume of their papers one is impressed with the extent of their knowledge, the wide scope of their learning and the real contribution they are making to the national life.

Mr. MacLEAN: I should like to ask if some suggestions have been received to the effect that old age pensions should be paid to blind people before they reach the present minimum age. If such suggestions were adopted by the provinces would the federal government be willing to contribute its share of the cost?

Mr. BENNETT: The question of the payment of pensions to the blind has engaged the attention of this house for many years. Prior to the adoption of the Old Age Pensions Act efforts were made, as every hon. member knows who has served in this house for any length of time, to establish the claim of those

who were sightless upon the state for assistance. The hon. gentleman will recall the representations made in this house every year from 1926 to 1933 on behalf of the sightless in Canada. This item does not afford an opportunity to express anything more than I have already said as to the attitude of the government towards the matter. Some of the provinces have enacted legislation under which they have agreed to undertake their portion of the expenditure incident to the placing of the blind in a position where pensions would be payable to them on the basis of the old age pension provision but beginning at the age of forty. No uniform action as yet has been taken, but I feel that if we make any speedy recovery the time is not far distant when some provision of that sort will be made on behalf of the sightless.

Mr. STANLEY: I believe the Canadian National Institute for the Blind carries on some small industry of its own for the manufacture of various commodities. I have specifically in mind the manufacture of rubber mats, and things of the kind. If the different departments of the government could be urged to give special consideration to this organization in the purchase of such supplies it would be a practical way of assisting the individual blind people through their organization.

Mr. BENNETT: My memory is that an order in council was passed extending some relief to the blind in connection with some of the provisions of our revenue act. Exactly what the terms of the order in council were I do not recall at the moment.

Mr. STEWART (Edmonton): There was some provision in regard to blind soldiers.

Mr. BENNETT: I think we passed something with respect to the sales tax, as my hon. friend the Minister of Finance suggests. I believe I express the view of every member of this committee when I say that anything that reasonably can be done in an administrative sense on behalf of the blind would be done gladly by any government regardless of its political complexion. But I may just point out that a difficulty arose in one case; this created a form of competition which proved destructive to those with whom it came in contact, and that expresses the other side of the question.

Item agreed to.

Amount required to provide for grants to be made to the provinces of—
Nova Scotia, $875,000.
New Brunswick, $600,000.
Prince Edward Island, $125,000, pending consideration of provincial subsidies.

Mr. MacLEAN: I should like to ask the Prime Minister if any arrangement was agreed upon by the provincial premiers who met here some time ago with regard to increasing the subsidies. This is a provisional subsidy made under the terms of the Duncan report, and this question has been outstanding for some time. I may say that it is a live topic in the maritimes, and especially in Prince Edward Island. We have no way of raising revenue except by direct taxation. We have no mines on which we can collect royalties; we have no timber permits as they have in New Brunswick and Nova Scotia. Some of our friends think we are simply living on provincial subsidies, but that is not correct. Our taxes are increasing every year, as they are in the other provinces, and our people are waiting and watching, hoping that some day the subsidy question will be gone into and a larger amount agreed upon. I do not wish to refer to any preelection promises; I know the Prime Minister did not make them personally, but I have before me a pamphlet which was published in the newspapers, in which it is stated that if this government came into power the subsidy would be increased by $700,000 anually. This is the paragraph:

> Bennett will fully implement the Duncan award, thereby enriching our province by some $700,000 annually.

I do not hold the Prime Minister responsible for that promise, but someone made it and a certain number of our electors believed it. However, I do hope the time is not far distant when this question, which is engaging the attention of the people of the maritimes, will be thoroughly gone into and satisfactorily settled.

Mr. BENNETT: At all events it does not appear that a sufficient number of people believed that promise to prevent my hon. friend from being elected. I have not heard that figure before. During the recent visit to Ottawa of the premiers of New Brunswick, Nova Scotia and Prince Edward Island they suggested that a commission be appointed for the purpose of dealing with what were alleged to be the unfulfilled recommendations of the Duncan report, and the government concluded that the proper course to follow was to hear representatives of each of the provinces before a committee of the whole cabinet. We have advised the premiers of the three several prov-

inces that we will hear the representations of each before the committee of the whole cabinet as to the points they desire to make concerning those recommendations in the Duncan report to which effect has not been given. That is the position, including the very matter to which attention has just now been directed. The hon. member is quite right in saying that this matter is of long standing. My memory is that we were given the proud privilege of serving this country some time in August, 1930, and it certainly had been a live question for some years prior to that time. We hope that through this opportunity of making representations to a committee of the cabinet the premiers of the provinces, or their counsel, or anyone acting on their behalf, will be in a position to make known to the cabinet the exact points that in their judgment still remain to be dealt with in order that the Duncan report may be fully implemented. When that is done the government will take such action as may be possible, having regard to the representations that are made.

Mr. MICHAUD: I am pleased that the Prime Minister has given a ray of hope to the people of the maritimes. Without anticipating any representations which might be made by the premiers of the provinces or their counsel, may I say this is one recommendation of the Duncan commission which has not yet been implemented, namely the matter of subsidies or increased allowances to the provinces. It has been carried for some time in the estimates pending final adjustment. So far since the opening of the session we have heard considerable about the claims and the rights of the western people to increased grants and subsidies from the Dominion government. Spokesmen from the maritimes have been very modest, due to the fact that they have faith in the justice of their claims and that they will soon be adjusted. The matter of increased grants and subsidies is one of vital importance to the martime provinces. I do not intend this evening to go into details, but simply to mention the fact that the maritime provinces have not received any material financial assistance through this depression, in comparison with what has been granted other parts of the country.

Some of the provinces, and this particularly applies to New Brunswick, are figuring on an increased subsidy for the next year in order to balance the budget, and it is to be hoped that in some form or another this matter will soon be adjusted and that before the close of the provincial fiscal year, in November, a substantial increase will be made in lieu of what should have been granted some years ago. These would be increased grants to make up for what these provinces have lost and have given up through joining confederation. The matter certainly will come up at some stage during the session, at which time an opportunity will be given to all maritime representatives to speak. So far, however, I am pleased to note that the matter has advanced one step and that arrangements have been made with the premiers of the provinces to have the claims laid in concrete form before the government.

Mr. STEWART (Edmonton): This may not be the proper place to ask the question I have in mind, but I am sure the Prime Minister will not object to answering. Is there anything in the rumour that there is a commission appointed to review the settlement with Saskatchewan?

Mr. BENNETT: The hon. member will recall that in the agreement made by the late government with the provinces of Alberta and Saskatchewan provision was made under which a commission was to come into being for the purpose of determining two questions. One question was whether or not Saskatchewan or Alberta were entitled to compensation, and if so in what amount, with respect to lands alienated between the date of the extinction of the Hudson bay title in 1870 and the creation of the new province in 1905. That issue, in the case of Saskatchewan, was referred to the privy council, by express provision in the agreement, which, if my memory serves me correctly, the hon. member himself signed. On reference to the Supreme Court of Canada it was decided that there was no merit in the claim thus made. On appeal to the Judicial Committee of the Privy Council the judgment of the Supreme Court of Canada was confirmed. It therefore left open one question, and one only, that question being, as provided by the agreement: what, if any, compensation the province was entitled to receive arising out of the administration and control of the resources from 1905 until 1930, when the new agreement was made. It is further provided by the agreement that for the purpose of arriving at a conclusion the commissioners could consider financial matters for the purpose of placing the provinces of Saskatchewan and Alberta on an equality with the other provinces of confederation.

In the case of Alberta, the statute named the commissioners. It does provide, however, that they could be changed, and the government of Alberta have indicated that they

desire to modify the provisions contained in the agreement in that regard. In the case of Saskatchewan the Hon. Mr. Justice Dysart has been named, together with the Hon. Mr. Justice Bigelow of Saskatchewan, and Mr. George McDonald, chartered accountant of Montreal. They have been sitting here for some days. Some years ago a commission was set up to deal with the province of Manitoba, that commission being presided over by the Hon. Mr. Justice Turgeon, assisted by the Hon. Thomas Crerar and Mr. Charles M. Bowman of the Mutual Life Assurance Company of Canada. As a result of their deliberations the sum of $4,000,000 was awarded to the province of Manitoba for the purpose of placing that province on an equality with other provinces of the confederation, the judgment proceeding upon the theory that Manitoba should be placed upon an equality with Alberta and Saskatchewan. The matter now being heard by the commissioners deals only with the question of the administration of the resources. To quote the words of the agreement, it is to deal with "the administration and control of the resources" by the dominion between 1905 and 1930, when, by the agreement entered into, the province became entitled to its resources, together with a continuance of the subsidy which had been accepted in 1905 in lieu of such resources.

The problem now engaging the attention of the commissioners deals solely with these matters, and solely with questions which were provided for in the agreement, which, if my memory serves me correctly, the hon. member as Minister of the Interior signed on behalf of the dominion, together with the then Minister of Justice. That is the only commission that has been set up, and the fact that three or four years have elapsed before its being set up is accounted for by some little delay in submitting the question to the supreme court. The judgment of the privy council in answer to the two questions submitted was delivered only last fall, so the Minister of Justice (Mr. Guthrie) informs me.

Mr. VENIOT: I think the house adopted the Duncan report in 1928.

Mr. RHODES: The first vote was in 1927-28.

Mr. VENIOT: The year ended March 31, 1928. The Duncan report recommended that these be considered as interim payments to the three provinces. I understand that steps were taken by the Finance department to bring about an accounting between the provinces and the dominion from confederation down in order to see how they stood financially. I wonder if any further progress has been made in this respect preparatory to the meeting which is to be held with the premiers of the maritime provinces?

Mr. BENNETT: That is one of the matters which it is proposed they shall submit to the committee of the cabinet. Much work has been done by the officials from time to time in collecting information as to the extent to which the financial assistance granted to the maritime provinces places them on an equality with the other provinces. I do not say that it has been done in any great detail but additions to the information have been made from time to time. I have in mind one particular official who has been adding to his store of information. The hon. member for Restigouche-Madawaska (Mr. Michaud), who has brought this matter to our attention, suggests that we might discuss it, but in view of the representations to be made by the three provinces to the committee of the cabinet, possibly it might not serve a useful purpose for us to enter into a discussion of the matter until after the presentation has been made by the provinces. Another ground for consideration claimed by the maritime provinces is that Canada having extinguished the title of the Hudson's Bay Company to the northwest territories and the northeast territories, and having secured the money by a loan on credit of the whole Dominion of Canada, of which they paid their share, the provinces of Quebec, Ontario and Manitoba were enlarged out of that territory, but the maritime provinces, geographically located as they are, were not able to secure any part of it. They claim that they should be placed on terms of equality with the agreement made between Manitoba and the federal government in 1929 and between Alberta and Saskatchewan and the federal government in 1930. They claim that they should receive some compensation in lieu of their not having received any portion of the territory acquired by the dominion on the credit of the whole country.

Mr. VENIOT: That is one contention.

Mr. STEWART (Edmonton): That is not a new claim.

Mr. VENIOT: That was one of the claims put up in 1928.

Mr. BENNETT: Yes.

Item agreed to.

External Affairs—salaries, $83,952; contingencies, $61,800.

Mr. BENNETT: The only change in this item is a slight decrease.

Mr. STEWART (Edmonton): Has there been some recent arrangement as to holding up these items of civil government? I understood the arrangement was that they were not to be gone on with.

Mr. BENNETT: I was not present in the house when that arrangement was made.

Mr. STEWART (Edmonton): I merely asked if some other arrangement had been made, because I understood that the civil government items were not to be voted until after the government had decided what they were going to do about salaries.

Mr. RHODES: When the Secretary of State (Mr. Cahan) called his item it was passed without any discussion, but when the Minister of Trade and Commerce (Mr. Stevens) called a similar item the question was put to him as to whether the same statement already made with respect to other items outside of civil government would apply to that particular item, and his answer was in the affirmative. That is the only understanding of which I know.

Mr. STEWART (Edmonton): I beg my hon. friend's pardon. A previous item was dropped and the understanding was that civil government items would not be voted until such time as the government decided what action they were going to take with respect to this matter.

Mr. BENNETT: If there is any question about the matter we will let the item stand.

Mr. STEWART (Edmonton): I thought perhaps some arrangement had been made with our leader. If none has been made, I suggest that the item stand.

Mr. BENNETT: If there is any question about it, we will let the item stand.

Item stands.

Progress reported.

On motion of Mr. Bennett the house adjourned at 10.30 p.m.

Monday, March 5, 1934

The house met at three o'clock.

PRICE SPREADS AND MASS BUYING

Hon. H. H. STEVENS (Minister of Trade and Commerce): My attention has been drawn to an oversight in the report, and in the motion adopting the report, regarding the printing from day to day of the evidence of the special committee appointed to inquire into price spreads and mass buying. I give notice to-day that to-morrow I shall move for the amendment of this motion, authorizing the printing from day to day. The present motion refers only to the power to have the proceedings printed, and this will meet the complaint, which had not been brought to my attention before, that copies in French and in English are not promptly distributed. The motion I shall move to-morrow will take care of this situation and I give notice of the motion now.

PETITIONS

Mr. OSCAR L. BOULANGER (Bellechasse) (Translation): Mr. Chairman, I wish to lay on the table of the House petitions forwarded by the municipal councils of St. Etienne de Beaumont, St. Michael de Bellechasse and St. Damien de Buckland, in the county of Bellechasse, requesting the Government to abstain from levying a tax on leaf tobacco.

CANADIAN NATIONAL RAILWAYS

AGREEMENT RESPECTING TRACKS AND PREMISES AT SAINT JOHN

Hon. R. J. MANION (Minister of Railways) moved for leave to introduce Bill No. 23, to ratify and confirm the agreement respecting the joint use by the Canadian Pacific Railway Company of certain tracks and premises of His Majesty at Saint John, N.B.

Some hon. MEMBERS: Explain.

Mr. MANION: The object of this bill is to ratify and confirm an agreement between His Majesty the King and the Canadian Pacific Railway Company for the joint use of certain tracks and premises belonging to His Majesty at Saint John, New Brunswick, and thus validating the agreement for a full period of 99 years from the first day of January, 1927, unless sooner terminated in accordance with the provisions of the agreement. Neither this bill nor either of the other two that follow has anything to do with last year's legislation; they are bills which date from an earlier period, this one from 1927 and the other two from 1912 and 1915. I mention this in order to clear the air, because I have been asked a number of times whether this had to do with last year's legislation.

Motion agreed to and bill read the first time.

AGREEMENT BETWEEN CANADIAN NORTHERN ONTARIO RAILWAY COMPANY AND THE CAMPBELLFORD, LAKE ONTARIO AND WESTERN RAILWAY COMPANY

Hon. R. J. MANION (Minister of Railways) moved for leave to introduce Bill No. 24, to ratify and confirm an agreement between the Canadian Northern Ontario Railway Company and the Campbellford, Lake Ontario and Western Railway Company.

He said: With respect to this bill, perhaps I might say a word that I omitted in regard to the preceding one, namely, that these ratifications are made imperative by the Railway Act, which calls for any joint agreement for a stated period beyond 21 years being ratified by this parliament. It dates back to 1912.

Motion agreed to and bill read the first time.

USE OF CANADIAN PACIFIC TRACKS AND PREMISES AT QUEBEC

Hon. R. J. MANION (Minister of Railways) moved for leave to introduce Bill No. 25, to ratify and confirm an agreement respecting the joint use by His Majesty and the commissioners of the Transcontinental railway of certain tracks and premises of the Canadian Pacific Railway Company at Quebec.

Mr. POWER: Is this a continuation of the agreement of 1912, or are there any changes?

Mr. MANION: This is an agreement of 1915, and so far as I know there are no changes in its terms. This merely extends the time.

Mr. POWER: Is it for 99 years?

Mr. MANION: Yes. The last bill was for 999 years and that should be long enough.

Mr. MACKENZIE (Vancouver): The C.C.F. will be in power.

Motion agreed to and bill read the first time.

FRUIT ACT AMENDMENT

Hon. ROBERT WEIR (Minister of Agriculture) moved for leave to introduce Bill No. 26, respecting fruit.

He said: This bill is a redraft of the 1901 Fruit Act, together with amendments. In addition there are some changes, of which perhaps three of the most important are: that brokers should be bonded; a change in the grading of fruit, making it impossible to offer fruit for sale not fit for consumption; and, third, the addition of honey in grading in this bill. The 1901 Fruit Act was asked for by producers in the trade, and each regulation and amendment has been submitted to the producers from that time until this. This bill has been before practically all the fruit conventions in Canada during the past year and has been endorsed by them, and any regulations based on it will also be submitted to the trade.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

JORDAN MEMORIAL SANATORIUM

Mr. MICHAUD:

1. Are there any persons at present at Jordan memorial sanatorium, The Glades, New Brunswick, who are receiving pensions from the Dominion government as a result of military service?

2. If so, what are the names and amount of pension received by each?

Mr. MacLAREN:

1. Yes.

2. H. K. Bartsch, $100 per month; M. T. Blacklock, $110.50 per month; L. Wheaton, $16 per month; Mrs. M. C. Savoie, $60 per month; all members of the staff of the institution.

In addition to the above mentioned there is a non-pensioner, a recipient of war veterans' allowance, who is a patient at the institution, on whose behalf $20 per month is being paid by the War Veterans' allowance committee, $15 of which is applied to his maintenance and $5 is paid him for comforts.

*ORDER OF PRECEDENCE

Mr. SEGUIN:

1. Has the government cabled to London in connection with the matter of precedences at the opening of the present session of parliament?

2. If so, what is the text of this cablegram and the text of the answer received?

Mr. CAHAN: I wish to answer this question orally.

As I have already stated in this house, His Majesty the King, in the exercise of his prerogative right to confer rank or place upon subjects of His Majesty resident in Canada, is advised by His Majesty's government in Canada. This government has not given any advice to nor sought any advice from London in respect to any change in the table of precedence bearing date December 3, 1923, which was established on the advice of the Right Hon. W. L. Mackenzie King, then Prime Minister.

The place of precedence at state functions which was given by courtesy to the Apostolic Delegate of the Holy See by the government of the late Sir Wilfrid Laurier in 1899, as modified by a decision of the government of the Right Hon. W. L. Mackenzie King in 1927, has not been changed by this government.

A question arose before the opening of this session of parliament as to whether a cardinal of the Roman Catholic Church was entitled as of right to precedence over the Apostolic Delegate at state functions in Canada. At the request of His Eminence the Cardinal-Archbishop of Quebec the decision of this question was held in abeyance.

When the views of the Roman Catholic Church are definitely ascertained, this matter will, in due time, receive further consideration.

*BANK OF CANADA BANK NOTES

Mr. FOURNIER:

Will the bank notes of the future Bank of Canada be bilingual?

Mr. RHODES: This information is not and will not be available unless and until the Bank of Canada is established.

Mr. SPENCER:

Will the bank notes of the future Bank of Canada have the king's head printed thereon?

Mr. RHODES: The answer to this question is the same as the one I just gave with respect to the previous question concerning bank notes of the proposed Bank of Canada.

UNEMPLOYMENT AND FARM RELIEF ACT STATISTICAL REPORTS

Mr. MacINNIS:

1. Are monthly statistical reports on the operations under the Unemployment and Farm Relief Act, 1933, being prepared?

2. If so, over what period have such reports been prepared?

3. If such monthly reports have been prepared have they been published for the information of the members and the general public?

4. If not, will the government publish such reports monthly in future?

Mr. GORDON:

The report of the dominion commissioner of unemployment relief setting out the federal assistance rendered to provinces and municipalities in their relief efforts, is now in the course of preparation and will be laid as hitherto on the table of the house in conformity with the provisions of the statute as soon as possible after the end of the fiscal year.

[Mr. Cahan.]

HORSE CLUB POLICY

Mr. DONNELLY:

1. Has the Dominion government changed, improved, or extended, during the last twelve months, what has been generally known as its "Horse Club Policy," and, if so, what are the changes?

2. Have any stallions been purchased or aptions taken under the said scheme, and, if so, give the following information in each (individual) case: (a) age; (b) price; (c) breed; (d) from whom bought?

3. What charge does the government intend to make for the services of these stallions?

Mr. WEIR (Melfort):

1. Yes. Date for receiving applications changed from June first to April first. Minimum service fee lowered from $12 to $10 and maximum from $25 to $20. Protest fee from $100 to $50. Number of inspectors for reinspection reduced from three to two.

2. No.

3. The charge for services of stallions under the club policy must not exceed $20 and must not be less than $10.

UNEMPLOYMENT RELIEF WORK—GORDON-FRANCOEUR AGREEMENT

Mr. ROBERGE:

1. At what date was the Gordon-Francoeur agreement signed, relative to unemployment relief in the province of Quebec?

2. What were the works recommended for the county of Megantic, according to the list prepared by the Department of Public Works, or Department of Highways of Quebec?

3. At what date were the said works recommended, and at what dates were they accepted by the federal authorities?

4. Did the department send an inspector to the district before the acceptance of the program submitted by Quebec for the county of Megantic?

5. If so, for what reason?

6. At whose request?

Mr. GORDON:

1. The agreement entered into by the dominion and the province of Quebec under the provisions of The Relief Act, 1933, was signed on behalf of the dominion by the Hon. W. A. Gordon, and on behalf of the province of Quebec by the Hon. J. N. Francoeur, on the 26th of July, 1933.

2 and 3. See statement attached.

4, 5 and 6. In accordance with the policy of the department, inspectors, where practicable, visited the districts wherein it was proposed to carry out works for the relief of unemployment with a view to determining the unemployment situation and the necessity and practicability of the said works as relief measures.

The following schedules of works proposed to be carried out for the relief of unemployment in the county of Megantic were submitted by the province of Quebec in accordance with the terms of the agreement entered into on July 26, 1933, between the dominion and the province respecting unemployment relief:

Schedule No. 3.—Highway No. 49—Black Lake and township of South Ireland, county of Megantic. Relocation, widening, grading and other works preliminary to the construction of a pavement. By day labour. To remedy unemployment in Thetford Mines and Black Lake: Total estimated cost, $10,000; man-days work provided by project, 5,000; basis of contribution 50 cents per man-day, dominion proportion, $2,500; number of unemployed, 140.

The above schedule was received on August 9, and approved by the dominion on August 16, 1933.

Schedule No. 2.—Township of Thetford south and Sacre-Coeur-de-Marie, county of Megantic. Grading, construction of culverts and gravelling on the road to St. Alphonse. Five miles. By day labour. To remedy unemployment in Thetford Mines: Total estimated cost, $20,000; man-days work provided by project, 10,000; basis of contribution 50 cents per man-day, dominion proportion, $5,000; number of unemployed, 394.

The above schedule was received on August 10, and approved by the dominion on October 14, 1933.

Schedule No. 4—Highway No. 1—Township of South Ireland and town of Black Lake, county of Megantic. Widening, grading and various improvements. By day labour. To remedy unemployment at Thetford Mines and Black Lake: Total estimated cost, $10,000; man-days work provided by project, 10,000; basis of contribution 50 cents per man-day, dominion proportion, $2,500; number of unemployed, 536.

The above schedule was received on August 10, and approved by the dominion on October 14, 1933.

Schedule No. 4A.—Megantic county—Highway No. 1—town of Black Lake, township of South Ireland and Coleraine. Widening, grading and various improvements. By day labour. To remedy unemployment at Black Lake and vicinity. (Above in addition to schedule No. 4 approved by P.C. 2113, dated October 14, 1933, for a dominion contribution not to exceed $2,500): Total estimated cost, $6,000; man-days work provided by project, 3,000; total estimated labour cost, $4,800; basis of contribution 50 cents per man-day, dominion proportion, $1,500; number of unemployed, 536.

The above schedule was received on January 8, 1934, and approved by the dominion on January 24, 1934.

Schedule No. 1.—Township of Inverness and township of Ireland-North, county of Megantic. Grading, levelling, construction of culverts and gravelling on the road to the village of Inverness. By day labour. To remedy unemployment in Thetford Mines: Total estimated cost, $15,000; man-days work provided by project, 7,500; basis of contribution 50 cents per man-day, dominion proportion, $3,750; number of unemployed, 394.

The above schedule was received on August 21, 1933, and approved by the dominion on October 14, 1933.

Schedule No. 238.—Ste. Anastasie de Nelson. Road works through Nelson township, Megantic county. For the needy unemployed in Ste. Anastasie de Nelson township and surrounding district. Undertaking to be carried out by the Department of Colonization: Total estimated cost, $2,700; man-days work provided by project, 1,250; basis of contribution 50 cents per man-day, dominion proportion, $625; number of unemployed, 42.

The above schedule was received on September 11, 1933, and approved by the dominion on October 21, 1933.

Schedule No. 239.—Nelson. Road works through Nelson township. Megantic county. For the needy unemployed in Nelson and surrounding district. Undertaking to be carried out by the Department of Colonization: Total estimated cost, $1,000; man-days work provided by project, 500; basis of contribution 50 cents per man-day, dominion proportion, $250; number of unemployed, 28.

The above schedule was received on September 11, 1933, and approved by the dominion on October 21, 1933.

Schedule No. 237.—St. Octave de Dosquet, Megantic county. Road works through Nelson township. For the needy unemployed at St. Octave de Dosquet and surrounding district. Undertaking to be carried out by the Department of Colonization: Total estimated cost, $1,500; man-days work provided by project, 688; basis of contribution 50 cents per man-day, dominion proportion, $344; number of unemployed, 38.

The above schedule was received on September 13, 1933, and approved by the dominion on October 21, 1933.

Schedule No. 259.—Road works through Coleraine township. For the needy unemployed at Coleraine and Black Lake East and surrounding district. Undertaking to be carried out by the Department of Colonization: Total estimated cost, $4,000; man-days work provided by project, 1,875; basis of contribution 50 cents per man-day, dominion proportion, $937.50; number of unemployed, 185.

The above schedule was received on September 18, 1933, and approved by the dominion on October 14, 1933.

Schedule No. 471.—Megantic county, town of Robertsonville. (1) Prolongation of water works and various improvements; (2) clearing, cleaning and ditching: Total estimated cost, $1,030; total estimated labour cost, $1,030; man-days work provided by project, 643; basis of contribution 33⅓ per cent of $1,030, dominion proportion, $343.33; number of unemployed, 30.

The above schedule was received on February 12, and recommended to council for approval on February 26, 1934.

QUEBEC ARMOURY BUILDING

Mr. BOULANGER:

1. Were tenders asked by the government for the substituting of the metal roof of the armoury building at Quebec?

2. If so, who were the persons tendering, and what was the amount of each tender?

3. To which of the tenderers was the contract given, and at what price?

4. Is the work finished, and what was the total amount paid to the contractor?

Mr. STEWART (Leeds):

1. Yes. (a) Tender for whole work in galvanized iron as per specification.
(b) Tender for copper in place of galvanized iron.

2.

	(a)	(b)
Eugene Falardeau Limitée	$ 9,095 00	$23,100 00
Standard Construction Limited	9,335 00	23,495 00
J. B. L. Lajeunesse	9,935 00	24,885 00
Joseph Pichette Limitée	10,340 00	24,295 00
J. Albert Asselin	10,935 42	19,815 42
Lanouette & Frère	12,510 18	24,143 60
Cyrille Paré & Adrien Ratté	14,659 20	28,335 27
Napoleon Durand	16,200 00	25,800 00
Geo. W. Reed & Company Ltd.	21,060 00	38,372 00

3. (a) Eugene Falardeau Limitée.
(b) $9,095.

4. (a) Not finished owing to weather conditions.
(b) No payment made.

TRANS-CANADA HIGHWAY

Mr. HURTUBISE:

1. What amount of money was expended on the Trans-Canada highway in the province of Ontario for the years 1931, 1932, 1933?

2. What amount was paid by the federal government in each of the above-mentioned years?

3. How much has been spent in each of the following divisions during 1931 and each year since: (a) Pointe Fortune to Ottawa; (b) Ottawa to Chalk River; (c) Chalk River to North Bay; (d) North Bay to Cochrane; (e) North Bay to Sault Ste. Marie; (f) Sault Ste. Marie to Fort William; (g) Fort William to Manitoba boundary?

Mr. GORDON:

1. There is no information in the department as to the amount of money expended on the Trans-Canada highway in Ontario during the years 1931, 1932 and 1933, other than that expended as a relief measure to which the dominion contributed 50 per cent and which was as follows:

1931	Nil
1932	$5,980,565 56
1933	273,242 63
Total	$6,253,808 19

2. 1931	Nil
1932	$2,990,282 78
1933	136,621 32
Total	$3,126,904 10

3. The accounts received from the province do not indicate expenditures by the divisions mentioned.

UNEMPLOYMENT RELIEF WORK—GORDON COLONIZATION PLAN

Mr. HURTUBISE:

1. What amount of money was contributed by the federal government to the province of Ontario for colonization under the Gordon plan, during the last fiscal year?

2. How many settlers have benefited from this plan in Ontario?

3. From what municipalities did they come, and how many from each such municipality?

Mr. GORDON:

1. $20,564.60.

2. 362.

3. See statement attached.

City of Oshawa, 9; City of London, 6; City of East Windsor, 21; City of Hamilton, 9; Township of East York, 21; City of St. Thomas, 7; City of St. Catharines, 11; Township of North York, 11; Town of New Toronto, 9; City of Windsor, 45; Town of Walkerville, 9; City of Chatham, 7; City of Fort William, 61; City of Port Arthur, 35; Township of Etobicoke, 2; Town of Orillia, 7; Town of Preston, 2; Township of Scarborough, 14; Township of Stamford, 5; Village of Bolton, 1; Town of Bowmanville, 1; Town of Waterloo, 9; Township of Chisholm, 1; Township of East Gwillimbury, 2; Town of Sandwich, 8; Town of Dundas, 5; Village of Niagara-on-the-Lake, 2; Town of Riverside, 1; City of Stratford, 3; City of Sarnia, 6; Township of Tay, 2; City of Guelph, 9; Town of Eastview, 1; City of Brantford, 3; City of Peterborough, 2; City of Woodstock, 4; Town of Whitby. 1; Township of Clarence, 1; Township of Vaughan, 1; Town of Wallaceburg, 1; Town of Ridgetown, 1; Town of Midland, 1; Township of Teck, 1; Town of Simcoe, 3; Town of Bala, 1.

COLD STORAGE STATISTICS

Mr. COOTE:

What was the amount of butter, cheese, beef, lamb and mutton, pork, poultry, in cold storage in Canada on December 31, 1933, or on the last date for which statistics are available?

Mr. STEVENS:

	Lbs.
Butter—Creamery	14,370,551
Dairy	153,441
Cheese	13,777,917
Beef	13,771,075
Mutton and lamb	5,092,846
Pork	23,719,077
Poultry	10,713,046

March 1 figures available on March 10.

DEPARTMENT OF AGRICULTURE AUTOMOBILES

Mr. DONNELLY:

1. How many automobiles did the Department of Agriculture buy during the year 1933?

2. To whom were these automobiles supplied during the year 1933?

3. Was the Commissioner of Live Stock supplied with an automobile, and, if so, what make of car, what price?

4. Are the other heads of branches, including the deputies, being similarly supplied?

5. If a car was supplied to the Commissioner of Live Stock, what was the expenditure in connection with the operating expenses and upkeep since the date of delivery to December 31, 1933?

6. If the answer to No. 3 is in the affirmative, and if these automobiles were purchased for field men, why was one supplied to the Commissioner of Live Stock?

Mr. WEIR (Melfort):

1. Sixty-seven.

2. Employees.

3. Yes. Dodge. $959.

4. Yes, where required.

5. $214.47.

6. Required in carrying out his duties.

WHEAT EXPORTS TO JAPAN

Mr. DONNELLY:

1. How much wheat did Canada export to Japan in each of the following years, respectively: 1928-29-30-31-32-33?

2. How much wheat did the United States export to Japan in each of the following years, respectively: 1928-29-30-31-32-33?

3. How much wheat did Australia export to Japan in each of the following years, respectively: 1928-29-30-31-32-33?

Mr. STEVENS:

1. Canada's exports of wheat to Japan for the calendar years 1928 to 1933, were:

Years	Bushels
1928	16,977,291
1929	16,258,991
1930	6,902,391
1931	6,976,352
1932	6,425,792
1933	4,185,005

2. United States exports of wheat to Japan for the calendar years 1928 to 1933, were:

Years	Bushels
1928	5,600,033
1929	7,003,493
1930	6,403,136
1931	1,820,016
1932	218,334
1933	149,999*

* Eleven months ended November 30, 1933.

3. Australia's exports of wheat to Japan for the years ended June 30, 1928 to 1933, were:

Years ended June 30	Bushels
1928	3,199,720
1929	5,626,298
1930	2,811,142
1931	17,676,232
1932	21,463,818
1933	17,717,053

WHEAT EXPORTS TO CHINA

Mr. DONNELLY:

1. How much wheat did Canada export to China in each of the following years, respectively: 1928-29-30-31-32-33?

2. How much wheat did the United States export to China in each of the following years, respectively: 1928-29-30-31-32-33?

3. How much wheat did Australia export to China in each of the following years, respectively: 1928-29-30-31-32-33?

Mr. STEVENS:

1. Canada's exports of wheat to China for the calendar years 1928 to 1933, were:

Years	Bushels
1928	3,485,644
1929	7,165,880
1930	3,506,373
1931	6,433,081
1932	6,156,829
1933	3,468,556

2. United States exports of wheat to China for the calendar years 1928 to 1933, were:

Years	Bushels
1928	166,665
1929	1,124,683
1930	1,523,047
1931	12,203,061
1932	2,585,039
1933	293,611*

* Eleven months ended November 30, 1933.

3. Australia's exports of wheat to China for the years ended June 30, 1928 to 1933, were:

Years ended June 30	Bushels
1928	
1929	2,668,203
1930	
1931	24,399,693
1932	30,990,770
1933	33,639,715

MR. ALBERT GAGNON

Mr. VERVILLE:

1. Is Mr. Albert Gagnon in the employ of the government; if so, did he during the month of February last, inquire into the expenditures in connection with unemployment relief at Val-Alain and at Joly in Lotbiniere county?

2. Was this man authorized to declare that after April 8 next, the federal government will hold for itself the control of the relief to the unemployed, and that the provincial government of Quebec will have nothing more to do with the distribution of relief to the unemployed after that date?

Mr. GORDON:

1. Yes.

2. No.

[Mr. Stevens.]

QUESTIONS PASSED AS ORDERS FOR RETURNS

DUNDURN, SASK., UNEMPLOYMENT RELIEF CAMP

Mr. TOTZKE:

1. Were tenders called for the supply of door sets to the Dundurn, Saskatchewan, unemployment relief camp?

2. What was the quantity required?

3. Who are the tenderers?

4. What was the price submitted by each tenderer?

5. To whom was the contract awarded and at what price?

Mr. SUTHERLAND: Return tabled herewith.

FISHERIES STATISTICS

Mr. BRASSET:

1. What sums were expended annually by the federal government for fisheries since 1900 to 1933, inclusive, excluding the salaries of the federal employees?

2. In what manner and for what purpose were these different sums expended each year?

RELIEF STATISTICS

Mr. HANSON (Skeena):

1. How many persons were there on relief in Canada on January 1, in the years 1930, 1931, 1932, 1933, and 1934?

2. How many in each province on the same date in each of the above years?

NOVA SCOTIA PUBLIC COLD STORAGE COMPANY

Mr. DUFF:

1. Has the Dominion government, through the Halifax Harbour Commission, purchased the plant of the Nova Scotia Public Cold Storage Company?

2. If so, what amount was paid for said premises and in what way was the amount paid?

MOTIONS FOR PAPERS

ISAAC'S HARBOUR, N.S., WHARF

Mr. DUFF:

For a return showing the expenditures on the public wharf at Isaac's harbour, Nova Scotia, during the years 1932 and 1933, with a copy of accounts, payrolls and other documents.

RURAL ROUTE NO. 2 ST. HYACINTHE

Mr. FONTAINE:

For a copy of all telegrams, correspondence, reports, memorandums and other documents, in the possession of the Post Office Department or any other federal department, in connection with the carrying of the mails on rural route No. 2, Saint Hyacinthe, in 1933, includ-

ing the different tenders which the Post Office Department received in connection with this route.

GORDON–FRANCOEUR AGREEMENT—RELIEF WORK IN MEGANTIC COUNTY

Mr. ROBERGE:

For a copy of all correspondence, telegrams, and other documents, exchanged between the Department of Labour, Ottawa, or any officer of the department, and the Department of Public Works and Department of Highways of Quebec, or any public board of Megantic county, such as city councils, or municipal councils, or any officer writing for these municipalities, or for himself, regarding work to be done in county of Megantic under the Gordon-Franceour agreement.

UNEMPLOYMENT RELIEF ACT—PORT HOOD ISLAND, N.S., SHORE PROTECTION

Mr. RALSTON:

For a copy of all letters, telegrams, memoranda and reports, between the Department of Public Works and any person in connection with the shore protection work on Port Hood island, Cape Breton, Nova Scotia, done in 1931 under the Unemployment Relief Act of that year; also the payroll and the account for the purchase of logs, iron ballast and ballast poles, timber and plank, showing the persons or firms from whom the material was purchased.

DOMINION COMPANIES ACT

On the orders of the day:

Mr. GROTE STIRLING (Yale): May I ask the Secretary of State whether any progress has been made in regard to the proposed revision of the Companies Act in accordance with the agreements reached or reported to have been reached at the interprovincial conference?

Hon. C. H. CAHAN (Secretary of State): The hon. member gave me notice of this question and I presume it is asked in view of certain telegrams which have appeared in the press purporting to emanate from the Department of the Attorney General of Quebec. At the meeting of the interprovincial conference in January last, a report was made of the understanding reached at a meeting of the representatives of the attorneys general of the several provinces or their deputies to consider a draft Companies Act which had been prepared at the office of the Secretary of State and submitted to them for their consideration. That reports reads as follows:

The law officers of the several provinces or their deputies met Thursday, January 18th, to consider a draft Companies Act which had been submitted to them by the Secretary of State.

Representatives of several of the provinces suggested that they would probably retain the form of act which has already been adopted by their respective legislatures, such as incorporation by letters patent, or by memorandum of association or by grant from the crown; but that this would not preclude the acceptance by all the provinces of the material provisions of such a bill as may be agreed upon.

After a general discussion of the scope of the draft bill then presented, the unanimous opinion was expressed by the provincial representatives that the law officers of the several provinces should, on or before March 1 next, send to the Secretary of State suggestions of such amendments or changes in the draft bill as they might deem expedient, and that, thereafter, the Secretary of State should convene at Ottawa such law officers or their representatives as could conveniently attend, for a further discussion of proposed amendments or changes in the draft bill; and that, in the meantime, the draft bill should not be widely distributed nor introduced to the parliament of Canada for public discussion.

That report was unanimously adopted at the conference. A few days later the department of the Secretary of State sent a copy of that report, together with additional copies of the draft bill, to the attorneys general of the several provinces, with a suggestion that on or before March 1 next they should send to the Secretary of State suggestions of such amendments or changes in the draft bill as might be deemed expedient. No suggestions have been received from the department of the attorney general of either of the provinces, and no reply has been received to that letter which was so sent.

This morning there appeared in the public press despatches from Quebec, from one of which appearing in the Gazette this morning. I read as follows:

Chas. Lanctot, K.C., deputy attorney-general, returned here to-day from a conference at Toronto with the Hon. W. H. Price, attorney-general, at which conference the draft of the federal legislation was studied, and the decision come to that it did not meet the wishes of the provinces, nor carry out the conception of the provincial authorities at the interprovincial conference as to what uniform Companies Act Ottawa had in mind.

It will be recalled that at the 1933 interprovincial conference there was agreement that the time had come to have uniformity in legislation as regards companies, it having been admitted that the disparity as between legislation of the provinces, and of Ottawa, has been of a nature to constitute "bidding" for a companies incorporation. The federal authorities in 1933 agreed to draft a uniform act which would apply to all, and this draft was submitted at the interprovincial conference held last January.

Premier Taschereau, speaking in the legislative assembly, following this recent conference, expressed the view that agreement had been reached, that Ottawa would bring in its legislation this session, and the provinces follow suit. He told the house there were only minor differences to be adjusted.

Mr. Lanctot and Hon. Mr. Price, however, found at Toronto this week that the ideas of Ottawa are not suitable in a number of respects and hence decided that there must be further adjustments of the different viewpoints. To this end the intention is that there shall be a committee representing the provincial governments named, and they will discuss by correspondence what should be done, and come to a decision during the course of the present year, and then acquaint Ottawa with their joint viewpoint.

It is pointed out that while the provinces are anxious for uniformity, so that existing evils of company law may be curbed, if not altogether done away with, that the provinces as regards company law are in an independent position as to Ottawa, their constitutional position being excellent, and if they are willing to agree on legislation common to all the country it is only because of the general welfare.

I wish to add that no representative of the government or of the department of the Secretary of State was notified to attend the meeting alleged to have been held recently in Toronto, and no intimation has been received as to any conclusions reached at that meeting. I, like other hon. members, have simply had the opportunity of reading these statements purporting to issue from the office of the deputy attorney general of Quebec to the effect which I have read.

Mr. STEWART (Edmonton): May I ask the minister if it is not a fact that the draft bill is in the hands of the provincial governments for study?

Mr. CAHAN: Yes, and they were to communicate their suggestions to the office of the Secretary of State on or before March 1. None have been received.

Mr. GRAY: In view of what has been said, will the Secretary of State tell the house whether or not he will proceed with the revision of the Companies Act this session?

Mr. CAHAN: I think there is some necessity of proceeding with a revision of our own act. As to whether the government will decide to delay it for another year awaiting suggestions from the attorneys general of the various provinces I cannot say now.

JACQUES CARTIER CELEBRATION

On the orders of the day:

Mr. MAURICE BRASSET (Gaspe): I would like to ask if it is the intention of the government to contribute towards the celebration of the 400th anniversary of the landing in Canada of Jacques Cartier, and if so, what amount?

[Mr. Cahan.]

Mr. HANSON (York-Sunbury): Why don't you pay the bill yourself?

Mr. GUTHRIE: I think the hon. gentleman will have to put the question on the order paper and await the return of the Prime Minister.

STEAMSHIP LOVAT

On the orders of the day:

Mr. MAURICE BRASSET (Gaspé) (Translation): Mr. Speaker, is the hon. Minister of Marine (Mr. Duranleau) aware that the steamship Lovat, with a cargo of provisions bound for the Magdalen Islands is held up in the ice of one of the ports of Prince Edward Island, and, is it the intention of the hon. Minister of Marine to dispatch an icebreaker to clear a way for the Lovat.

Hon. ALFRED DURANLEAU (Minister of Marine) (Translation): Mr. Speaker it is the first time that my attention has been drawn to this matter. I shall immediately make inquiries and shall endeavour to give all possible help to the people of the Magdalen Islands.

SUPPLY

DEPARTMENT OF AGRICULTURE

The house in committee of supply, Mr. Gagnon in the chair.

Agriculture—contributions to empire bureaux, $21,535.

Mr. STEWART (Edmonton): Will the minister give a short explanation of the purpose of those bureaux?

Hon. ROBERT WEIR (Minister of Agriculture): The purpose of these bureaux is to gather from various research institutes and research workers throughout the empire information on the results of their research work, and to disseminate the same to the various dominions; also the collection of facts and statistics with reference to agriculture and to disseminate that information. Research workers from any part of the dominion visiting the United Kingdom immediately get in touch with these bureaux and are given every assistance to follow any studies and research work they may wish to take up. There were eight in all, established at the beginning in 1929. The term of the agreement ends in the year 1934-35. This year with the dropping out of the activities of the empire marketing board two other bureaux, the imperial bureau of entomology and the imperial bureau of mycology, have been put under the direction of the council of the imperial agricultural bureau for administrative purposes.

Mr. MACKENZIE (Vancouver): Where are these bureaux situated?

Mr. WEIR (Melfort): The location of these different bureaux, with their directors, is as follows:

Bureau—Location—Director of Bureau—
Soil Science, Rothamstead, Sir E. J. Russell, O.B.E., D.Sc., F.R.S.
Animal Health, Veterinary Research Laboratory, Weybridge, W. Horner Andrews, D.Sc., M.R.C.V.S.
Animal Nutrition, Rowett Institute, Aberdeen, J. B. Orr, D.S.O., M.C., M.A., M.D., D.Sc., F.R.S.
Animal Genetics, Edinburgh, F. A. E. Crew, M.D., D.Sc., Ph. D., F.R.S.E.
Plant Genetics (other than Herbage), Cambridge, Sir R. H. Biffen, M.A., F.R.S.
Plant Genetics (Herbage), Aberystwyth, R. G. Stapleton, C.B.E., M.A.
Fruit Production, East Malling, Kent, R. G. Hatton, M.A.
Agricultural Parasitology, St. Albans, R. T. Leiper, M.D., D.Sc., F.R.S.

Mr. POULIOT: A, B, C, D, E, F, G, H, I, J, K, L, M; the Minister of Agriculture is so bright that he has just quoted the alphabet several times in reading the names of these gentlemen who are high officials of the British Department of Agriculture. It was a joke to listen to the minister quoting all those letters. What does it matter to us if a man has seventy-five thousand letters after his name, if the trade of Canada is going down? The fact is that you cannot take any bloke and put a lot of letters after his name and make him more efficient; in the meantime our trade is going to the dogs and we have a dumb Minister of Agriculture who is proud to get up and give this illuminating information to the committee. He tells us that Sir Somebody, K.B.D.H.Z., is head of something; it must be a high degree in the Ku Klux Klan. We hear that in the committee, and everyone listens to it and finds it interesting and illuminating. But the farmers cannot get decent prices for their products; the trade of Canada is going to the dogs, and even our trade with Great Britain is decreasing. The minister did not even know that the British trade constitutes only 9 per cent of the world trade; we had to teach him that last year. We are asked to sacrifice our chances in regard to 91 per cent of the world's trade in order to secure a part of the remaining nine per cent.

I am glad to see that my hon. friend, the minister, is in his seat to-day; he was not courageous enough to stay when I was quoting statistics the other day during the debate on the address. I am here for information on behalf of the farmers of the east, and I am sure this will also interest the farmers of the west. We are not to be impressed with humbug of any kind; if my hon. friend over there cackles it will make no impression on me.

Before coming to the figures to which I wish to refer let me go back to that great expert in agriculture, the minister to whom we have been listening. He is impressed with the letters that follow the names of these distinguished gentlemen abroad who are members of the empire marketing board; like his leader, who is more impressed by words than by thoughts, he is more impressed by letters than by facts, and while he describes to us those knights of the British Empire, those gentlemen who put the letters O.B.E. and so forth after their names, those wonderful gentlemen who know so much about agriculture and the marketing of agricultural products, our poor farmers cannot get enough from the sale of their products to live decently and bring up their children in due comfort.

Well, Mr. Chairman, let us take those illuminating statistics, and I will ask the hon. gentleman to answer a layman in agriculture, as I am. I do not pretend to be an expert, but the knowledge I have has been obtained from the farmer himself, who has access to my office when he comes to see me. I listen to the farmer, so my knowledge of agriculture comes from the producer himself. I have some knowledge also from the official figures which I have obtained from the bureau of statistics. Let us take item by item, and I will ask the hon. member for South Essex to keep quiet.

Mr. GOTT: I merely invited my friend to come in, because he was missing a good speech.

Mr. POULIOT: If my hon. friend were a man he would stand by us when we complain about the policies of the government, especially with regard to tobacco.

Mr. GOTT: I will stand by the farmer, which is more than the hon. gentleman can say.

Mr. POULIOT: The hon. gentleman talks in his own county, but he is afraid to speak out in the house.

Mr. GOTT: I will stand by the farmer, and that is more than the hon. gentleman is doing now.

Mr. POULIOT: That shows that my hon. friend does not understand a word of what I have said, and if I spoke to him I would waste my time.

Mr. GOTT: All the hon. gentleman's friends are laughing at him.

Mr. POULIOT: Let the hon. gentleman learn the alphabet which was recited by the Minister of Agriculture; it would help him, even if it is printed in London. Let us take agricultural products; let us take tobacco.

The CHAIRMAN (Mr. Gagnon): Would the hon. gentleman speak to the item under discussion?

Mr. GOTT: The hon. member had better speak about something he knows more of than he knows of tobacco.

Mr. POULIOT: Mr. Chairman, the item under discussion is item 50 on page 20, entitled "Contributions to empire bureaux." I will explain my point.

Mr. GOTT: Here is a good cigar, made from Canadian tobacco, with the compliments of the hon. member for South Essex.

Mr. POULIOT: I thank my hon. friend, but I wish he would hold it in his mouth when I am speaking so that he will not disturb me.

Now, sir, we are discussing these contributions to empire bureaux, which amount to $21,535. This concerns the marketing of Canadian products; it is of as much interest to the Minister of Agriculture as it is to the Minister of Mines or any other minister in charge of a department which has to do with Canadian products. Therefore I believe I am perfectly in order in discussing on this item the sale of tobacco in England, the consumption here and so on. What about tobacco? If we compare the exports of 1933 with the exports of 1930 it will be seen that trade with the British Empire increased by $2,499,203, while trade with foreign countries decreased by $96,529, leaving a net increase of $2,402,674. As to manufactured tobacco, trade with the British Empire increased $8,248, and that with foreign countries increased $2,453. That is a total increase of $2,413,375, and there is also an increase in home consumption. This fact, namely that there is an increase in exports, and also an increase in home consumption looks very well. But what is the complaint? The complaint is made by the producer against the go-between, against the intermediary, against the one who takes the whole profit and leaves nothing for the producer. I have seen in that wonderful paper, the Border Cities Star, one of the best papers published in Canada, and probably one of the best published on the North American continent that the tobacco growers of western Ontario are complaining that they are not receiving enough from their tobacco sales. They complain that it is the few who get all the profits at the expense of the farmer who on his land is growing the tobacco. That is a very serious matter and is more serious when we realize that tobacco is one of the very few commodities in connection with which the government can boast surpluses in exports and in consumption. Therefore, if the price of tobacco is good, it is good only for those few wholesalers who, at the expense of the producers, reap huge benefits, while the producer is complaining that he is not being fairly treated.

Mr. GOTT: Would the hon. member permit a question?

Mr. POULIOT: If it is polite I will answer it.

Mr. GOTT: It will be. The hon. member has mentioned the Border Cities Star. I should like to ask him how it is that he has never mentioned it or complimented it until to-day. Is it because he went into Essex, and they put his picture in the paper? Is that the reason?

Mr. POULIOT: Well, sir, usually praise is wasted in this chamber when hon. members opposite are continually burning incense under the nose of the Prime Minister. I wanted to pay that compliment to the excellent newspaper I have mentioned at the beginning of the sitting when the atmosphere was not vitiated by all this stuff that is usually burnt under the nose of the Prime Minister. I took this opportunity because the Prime Minister is not in the house to-day, and for that reason no incense is being burned. I wanted to pay a well deserved compliment to a paper which is a great credit to the journalism of Canada.

Mr. GOTT: The hon. member has not paid me the courtesy of an answer.

Some hon. MEMBERS: Order.

Mr. POULIOT: The hon. member should not insist upon it, because his picture should be published in that paper with his head up side down. We have a good tobacco business. When I was interrupted I was showing that the exports in tobacco have increased, that the home consumption has increased, but that on the other hand at the expense of the producer the price of tobacco has fallen, and he receives nothing like fair compensation.

Mr. GOTT: On a point of order; I wish to say the consumption of tobacco in Canada has not increased.

Mr. MACKENZIE (Vancouver): That is not a point of order.

Mr. POULIOT: I will ask you, sir, as chairman of this house, to see to it that interruptions of that kind are not tolerated when I am speaking on serious matters. I am discussing the tobacco business, an industry which interests many farmers in Ontario, in the province of Quebec and in other parts of Canada. It is a matter of high importance, and I have not discussed it in a frivolous way. At times I joke with the hon. member for South Essex, but I pay no more attention to him than that. I regret very much that when we are discussing a matter as important as this one, one which is of vital importance to so many farmers, the hon. gentleman should continue making his jokes, sending cigars across the floor of the house, and speaking as if his electors were not interested. I hope, sir, that you will use your authority to make the hon. member keep quiet; otherwise I shall have to ask the assistance of the sergeant at arms to expel him from the house while we are discussing a matter of such concern to his electors. If they were here and saw him making his jokes and interrupting when an hon. member is speaking concerning a commodity as important as tobacco, and the exports and consumption of that commodity, no one would vote for him at the next election. I am very sorry for him if he cannot understand any better, but I believe his electors should not suffer from that. As he has said that home production did not increase, I shall give the figures supplied by the bureau of statistics.

Mr. GOTT: I said consumption not production.

Mr. POULIOT: In the year 1932-33 there were 2,217,447 more pounds produced than in 1930-31.

The CHAIRMAN (Mr. Gagnon): I should like hon. members on both sides of the house to maintain order.

Mr. GOTT: On a question of privilege, may I say that I did not say production of tobacco in Canada has not increased; I said consumption of tobacco in Canada has not increased. I do not wish to have it twisted by the hon. member for Témiscouata.

Mr. POULIOT: Well, sir, if the consumption of tobacco has not increased the hon. member may see to it by leaving the chamber and smoking in the lobby the cigar he offered me.

Mr. GOTT: You will not help it.

Mr. POULIOT: We will have increased consumption of tobacco to the extent of one cigar, and in the meantime we will have peace. I have quoted figures concerning tobacco from page 556 of Hansard.

There has been some very attractive advertising in connection with honey from the province of Quebec. It has appeared in a very excellent monthly, which has never published my picture or mentioned my name, but which I value just the same. I do not judge publications from the standpoint of the publicity I obtain in them. I refer to the publication called "Quebec" issued in London by the Canadian government. In that monthly Canadian honey has been widely advertised. The deputy minister of agriculture of the province of Quebec, Mr. Grenier, has gone to London in order to open markets for Canadian honey. That is a worthy project, but there is something more to consider. Figures which have been supplied show that the exports of honey to the British Empire were greater to a value of $119,215, but that those to foreign countries were less by $7,952. That leaves a total increase of $111,263. What about the home consumption? The home consumption of 1932-33 compared with 1930-31 showed a decrease of 9,535,689 pounds. We export $111,263 worth more, but we consume 9,535,689 pounds less. What is the advantage of exporting $111,263 more of honey, if we consume 9,535,689 pounds less in Canada? It seems to me that although the advertising in the "Quebec" monthly is very good, yet advertising for consumption of Canadian goods in Canada is not efficient. Therefore they have to take every possible step to improve the marketing of that product. But here in Canada we consume 9,500,000 pounds less of honey. Does not the Minister of Agriculture think that it would be much better to advertise Canadian honey in Canada in order to bring about normal consumption of this product in our home market. That would mean an increased home consumption of 9,500,000 pounds. It would be superfluous to export $111,000 of honey if our home consumption increased by 9,500,000 pounds. That is my view. Would it not be better to take steps to preserve our home market, as the hon. member for West Calgary (Mr. Bennett) has so often urged? We have a local market, but in that local market consumption is gradually decreasing, dwindling to nothing, and I think it is high time to advertise Canadian goods in Canada in order that our home consumption may be brought up to the point where it stood a few years ago.

Not only have we lost our foreign market, but on account of that the home trade in Canada has gone down so much that the Canadian people have no more money with which to buy Canadian products. We have an instance of that in the figures for the consumption of honey in Canada. The honey itself is just as good as it was two years ago, just as highly recommended as a food for young and old; its quality is first-class. Why do our people eat less of it? Because they have no money with which to buy it. That is very sad. Does not the Minister of Agriculture believe, after due consideration, that it would be much better to spend at least half of this amount of $21,535 for the advertising of Canadian goods?

There are other products which need advertising at home. The average price of eggs in Canada in 1933 was 21 cents per dozen as compared with 37 cents in 1930. The increase in our export of eggs has been $352,000 worth. On the other hand, the home consumption of eggs decreased in the year 1932-33 as compared with 1930-31 by 45,959,763 dozen. We exported $352,000 worth more of eggs, but on the other hand our home consumption in the last three years has dropped by 45,959,763 dozen. Where is our local market? The case is similar to honey. Does not the Minister of Agriculture believe that it is of great importance to start a Canadian purchasing campaign in order that Canadian products may again be sold at home on the same scale as prevailed two or three years ago?

Why is the home consumption of eggs so very much less? There is a very good reason. It is that the people who have no money to buy honey have no money to buy eggs either. I am told that in several places eggs are forbidden to people on the direct relief lists. That is one of the reasons why eggs are not now sold in such large quantities as they were two or three years ago in this country. There is a little increased exportation, but the home consumption is so very much less than it was that the Canadian farmer is asking of himself, what of the future? Will it be worth while, he asks, to keep my poultry? Will it not be better to kill the chickens and eat them instead of purchasing grain and other stuffs to feed them? The price of eggs is very low at the present time. The price goes up slightly at certain seasons, but the average price is low and the consumption is small. So what encouragement has the farmer to keep his poultry in good condition and to continue in the egg business? I would ask the hon. minister if he has no plan for restoring our local market. The hon. member for West Calgary, who is otherwise called the Prime Minister, has often said in this house that we have the local market. Well, our local market does not amount to so much after all because you can take item after item and always you will find a decreased home consumption. There might be one item in which the home consumption has increased, but only slightly. We cannot have regard only to exports. We have to consider home production, imports, and home consumption as well. Of course, the exports are a little higher, but the home consumption has decreased so much that the farmer is very anxious about his future.

There are some very interesting figures about the dairying industry in connection with those three very well-known dairy products, concentrated milk, butter and cheese.

I take first concentrated milk. In 1933 as compared with 1930 we exported $380,000 more to the British Empire but $1,231,000 less to foreign countries, which means a net loss in exports of $851,000.

Of butter we exported $468,643 more to the British Empire and $52,000 less to foreign countries, or a net increase of $416,000. The price of butter has been very low, although it has risen a little lately; but let us not forget that it is now winter. I do not know how long it will last. We heard a lot about butter during the last campaign, and we hear a lot about it from the hon. member for Compton (Mr. Gobeil), who has a great announcement to make. He speaks about the high price of butter now. I will ask the Minister of Agriculture whether he can supply me with the following information in regard to butter. What was the average price of butter each month from 1922 to 1930, to the first of July, 1930, and the average price of butter each month from July 2, 1930, to date? I think you will see that the average price of butter during the last three years has been one-half what it was from 1922 to 1930. But if he wishes to be fair the compilation should be made month to month—January for the first period and January for the second period, average price for the first period and average price for the second period. Then you would see that the statement of these gentlemen with regard to the increase in the price of butter signifies something more than just a verbal utterance in the House of Commons.

There is also cheese, Canadian cheese which is very good—an excellent Canadian product. The exports to the British Empire were

$4,688,904 less, and this is not the first time that we are voting money for the empire bureaux. Last year we voted $21,000 and this year it is $535 more. And the appropriation was not all required last year; some money was left. If the hon. gentleman boasts of the fact that the increase in the shipments of butter abroad was $416,000, how can he explain the fact that the total loss in the exports of cheese was $5,130,401, according to the information that we have received from the bureau of statistics? What is the use therefore of exporting more butter, a small quantity amounting to $416,000, if we suffer a loss of over $5,000,000 in the exports of cheese? How can he explain it? For those who do not know, they say that the quantity of exports is larger than ever; but you will understand that the farmers have to sell two pounds of butter now for the price of one during the first period I have mentioned. And it is the same with every product. They have to sell two sheep for the price of one, two lambs for the price of one—

Mr. LACROIX: Six lambs.

Mr. POULIOT: My hon. friend from Beauce says six lambs.

Mr. GOTT: The hon. gentleman does not know.

Mr. POULIOT: I try to make it as favourable as I can, but the facts are much more unfavourable than I have indicated, and instead of making jokes in connection with a matter which is so serious to the farmers of the country, the hon. gentleman should listen sympathetically. Well, here we are voting more money—what for? Is the Minister of Agriculture proud of the fact that our exports of butter are four or five hundred thousand more while our exports of cheese are five millions less? We lose ten times more in our exports of cheese than we gain in our exports of butter, and it is on the advice of a distinguished trade expert, Sir So and So, B.D.G., K.F.G., X.Y.Z., and this famous agriculturist known the world over, Sir So and So, Z.Y.X.—it is reversed. The first one was distinguished in trade and the other one was distinguished in agriculture; therefore the former is X.Y.Z. and the latter is Z.Y.X., most distinguished gentlemen who accomplished such marvels. Thanks to their ability, thanks to their genius, we ship butter to England and other places amounting to four or five hundred thousand dollars more. But is it not also due to their great experience, their genius, their high sense of trade markets, that we are exporting cheese to the extent of five millions less? I say therefore, what is the use of contributing money to that board? My hon. friend is impressed by these advisers. Who are they? Are they responsible or is he responsible? If he is responsible for it he should resign, and if they are responsible we should not vote a cent for that board. This work should be done by Howard Ferguson in London. What is the use of having him there, paying so much money to Howard Ferguson, to give banquets to seven hundred guests in the presence of the Prime Minister, while the farmers here are starving? What is the use of having Howard Ferguson over there if he is good for nothing? What is the use of giving so much money to him while his work is being done by that bureau? Did he give a satisfactory explanation to the Minister of Agriculture? If he did, I should like to hear from the hon. gentleman. Is the minister satisfied that we should be exporting five million dollars less in cheese?

Mr. GOTT: The hon. member has spoken for forty minutes and has not come anywhere near touching the subject before the committee. I do not intend to speak forty minutes but only forty seconds; I merely wish to refute what the hon. gentleman said with regard to tobacco and to show him how little he knows about it. The consumption of cigars in Canada is down twenty-five millions and the consumption of cigarettes is down one billion, but the price of tobacco to the consumer is just the same. The price of tobacco to the producer is so discouraging that it will be difficult for him to raise crops in the years to come. The price of tobacco must go up. I suggest to this house and to the country that there is a combine in the buying of tobacco owing to the fact that the representatives of the British Leaf Tobacco Company, that is the Imperial Tobacco Company of Great Britain, and Ireland, come to Canada and buy through the representatives of the Imperial Tobacco Company of Canada. If there is not a combine, there is a monopoly, which is much worse. I make these remarks merely to show that I have a little more knowledge of tobacco than is contained in the book used by the hon. gentleman.

Mr. VALLANCE: Is any report of the activities of these empire bureaux available to which the house might have access?

Mr. WEIR (Melfort): There are a number of reports on each of the subjects I mentioned in answer to a question asked by the hon. member for Vancouver. The hon. member for

Témiscouata, in speaking, passed over a couple of items which might be of interest to the committee; that is, why the appropriation was not completely expended last year and why this year there is apparently an increase in it. The money is to be paid in sterling and last year, on account of sterling being at a discount, the full amount of the vote was not required. This year, when the estimates were compiled, the fact that sterling was at a premium accounts for the additional sum shown in the appropriation.

There are available reports dealing with soil research, animal health and those I have mentioned, and I shall be only too glad to give copies of those reports to any person who wishes to get them. The whole work of these bureaux is not research; it is not advertising; it is not trade; it is simply the collection of information and the distribution of it. The agreement was entered into in 1929 for five years, expiring in 1934-35.

Mr. MOTHERWELL: One reason there is some criticism of this appropriation is that last Friday the Prime Minister had before the committee, an almost similar item, that appearing on page 54 of the estimates dealing with agricultural bureaux. As it was very meagerly explained and as the Minister of Agriculture has not elaborated, some hon. members do not seem to know what it is all about as there appears to be duplication although I think there is none. This appropriation has been in existence since 1929 and has met with very little criticism because the bureaux is both a clearing house and actually engaged in important research for the information not only for the other parts of the empire but for ourselves. For illustration the investigation into the important question of wheat rust and the animal pathological work conducted in the laboratory at Hull, anybody who would slip over there for half an hour or so and examine what is one of the best equipped laboratories on this continent would know what the present government is doing and what the preceding one did in this respect. These central bureaux in the British Isles act as a clearing house for information from the dominions as to the progress each one has been making in the different branches of research. This enables each part of the empire to know what each other part is doing and what progress it is making in each branch of activity. This is important work and we might, I think, let this appropriation pass. If I wanted to make a general attack on the estimates of the Department of Agriculture, I would prefer to make it on some other item than this and particularly on one that is being reduced. This is one of the two that are being increased. I would feel like commending the minister for keeping up this work. Are all the other dominions reporting and paying up their quotas?

Mr. WEIR (Melfort): Yes.

Mr. MOTHERWELL: That seems to be satisfactory. If I felt justified in making any remarks at this stage as to the general trend of the department in reducing every vote except two at a time when agriculture is out at the elbows and down at the heels and needing further instead of reduced help, that would be my criticism, but this does not seem to be the time for it. Therefore I rather feel like supporting the minister in making the slight increase shown in regard to this item which was first introduced for a very commendable purpose.

Mr. VALLANCE: With all deference to the ex-Minister of Agriculture and his solicitude for this particular item, there are some questions that can be asked regarding this bureau only at this time. What are the other parts of the empire doing and what are their respective contributions to this bureau?

Mr. WEIR (Melfort): The contributions are as follows:

United Kingdom	£3,750
Through Colonial Office	3,750
From Canada	3,125
From Australia	3,125
From India	2,187 10s.
From Union of South Africa	1,562 10s.
From New Zealand	1,250
From Irish Free State	625
From Southern Rhodesia	250
From Anglo-Egyptian Sudan	250
From Newfoundland	125

Mr. VALLANCE: Is this all based on the pound sterling?

Mr. WEIR (Melfort): Yes.

Mr. POULIOT: I have just a word to say in answer to one remark from the minister. He spoke about the jumping of the pound sterling. I admit that the pound sterling has had ups and downs for some time, but on the other hand, at the last world conference which was attended by the Minister of Finance and at which sixty-four nations were represented, the matter of stabilization of money appeared on the agenda. It was therefore intended to be discussed, but it was not considered because the United States did not think it a fit time, and then the sixty-three other nations including Canada and its representatives the hon. member for West Calgary and the Minister of Finance all quit and said: We will wait

until the United States agrees to take the question into consideration before coming together as a whole. Those sixty-three nations had to wait for the United States to have stabilization of money which is essential to world trade. Stabilization was not brought about and because of this I do not see how the Minister of Agriculture can mention the ups and downs of the pound sterling as, if it has affected our trade, this is mostly because the government have had no policy in regard to the matter.

I asked the hon. gentleman several questions. I asked him first whether the vote for this bureau was necessary seeing that we have Howard Ferguson as High Commissioner in London. This is a fair question. If Howard Ferguson is such a genius, such a mixer in trade as well as in politics, we do not need this bureau. It is a waste of money to vote $21,000 and the government should rather give half of it—

Mr. GOTT: On a point of order, we are on item 50, page 20, and the hon. member has consumed forty minutes of the time of the committee and is now attempting to repeat his speech. Is this permissible on the same item?

The CHAIRMAN (Mr. Gagnon): In supply a certain amount of latitude is given to members.

Mr. POULIOT: I asked my questions in the mildest language. I am just as nice as one can be. As one of the two hundred and forty-five members of this house my only intention is to seek to defend the Canadian exchequer. When I speak now I do not speak for the pleasure of speaking, I speak on behalf of the farmers of my constituency, who have been told that the Prime Minister is a superman and that the Minister of Agriculture is his right hand in matters pertaining to agriculture. It is all very well to tell the farmers to produce more tobacco, produce more hogs, produce more sheep, produce more eggs, produce more butter, but when the time comes to sell them they get no decent price. I am not against trade with Great Britain, I am not against that item in itself, but I find that the result is disastrous, that this government is neglecting our home trade in order to promote an artificial British trade or to justify the silly Ottawa agreements. In the debate on the address their merits were extolled, the hon. gentlemen who proposed and seconded the address in reply both praised the Ottawa agreements very highly. But what have they produced? Our trade has been destroyed, and when I ask information about the work which Howard Ferguson is doing in England with regard to Canadian trade I receive no answer. Who is responsible for that loss of $5,000,000 in the exports of cheese? Is it the empire bureaux or is it Howard Ferguson or is it this government? Someone must be responsible. We are told it is the pound sterling, but the pound sterling is not drafting the policy of this government with regard to agriculture and marketing.

I also asked another question of the hon. Minister of Agriculture; I will repeat it because he does not seem to have understood my English well. It is not my native language but I speak it with all earnestness and to the best of my ability. Another question that I put to the hon. gentleman, as the hon. members who are here will remember, was this: What was the average price of butter from the year 1922 to July 1 or August 1, 1930, month by month? What was the price in January, February, March, April and so on; and on the other hand what has been the average price of butter in each month of the second period, from July 2 or August 2, 1930 to the present time. I have no answer, yet the hon. gentleman must have that information before him all the time, he must have it with him here in order to answer these questions, which are fair and reasonable. When we hear hon. gentlemen opposite say that the price of butter is higher now, they do not take that earlier period into consideration, but it is most essential to do so.

Therefore my first question will be: Who is destroying the Canadian trade? Is it Howard Ferguson, the empire bureaux or this government? If it is Howard Ferguson, why is he kept there as high commissioner? If it is the empire bureaux why do we have this item in the estimates? If it is the government, why do they not resign? If I repeat a third time the second question I do so in order to be understood clearly; I also hope to have an answer about the average prices of butter in those two periods.

Then I would ask the hon. gentleman, how is it that if the exports of honey have increased the home consumption has decreased by 9,500,000 pounds? Can he explain it to me? Some Conservative members tell me often that I am not an expert in agriculture. I admit it, but I am here to defend the rights of the farmers and make known their grievances to this government; I do that conscientiously, when I ask a question I do not ask it to make trouble, I ask it to get information because my mind is not yet satisfied. I want to get that information. I may be laughed at by those who do not know how to read and write, but sir, I do my work

conscientiously, in that respect I believe I am above reproach, and when hon. members on the other side of the house treat me fairly they may be assured that I observe the golden rule; but I pay no attention to those who use abusive language or anything of that kind. I am now defending the rights of those who suffer, of those whose interests are entrusted to the Minister of Agriculture, the farmers, and I ask him kindly to give me that information. If he answers me in an appropriate way and to the point it will be much more satisfactory.

Mr. GOTT: They are slippery questions.

Mr. POULIOT: Slippery for those who are always in the mud.

Mr. WEIR (Melfort): I shall be very pleased to furnish the hon. member with the information he has asked for in respect to butter. It has nothing to do with this item, however. It can be very properly and thoroughly discussed under either the live stock item or the dairy item.

Mr. POULIOT: I thank the hon. gentleman very much, but I understand that the work of the empire bureaux relates to the whole Canadian production. Am I right?

Mr. WEIR (Melfort): It relates to research work and information obtained by research workers. It is simply to prevent duplication; instead of each dominion corresponding with every other dominion, it is all passed through this imperial bureau.

Mr. POULIOT: Finally I would ask the hon. Minister of Agriculture to teach manners to his colleague.

Mr. STEWART (Edmonton): The minister has just told us this is a vote that was commenced in 1929, $21,000 appropriated last year, $21,535 this year; and he has given a very satisfactory explanation of the work of the bureau. On Friday we were discussing item 207, miscellaneous, which is a new item this year of $18,690. I want to draw the attention of the minister to the particulars of that item:

Canada's portion of expenditure of the Imperial economic committee, the Imperial shipping committee, and the executive council of the Imperial agricultural bureaux for 1934.

There seems to be some duplication. If the department was getting on with $21,000 from 1929 to the present why is a portion of the new vote of $18,690 applied to payment of the executive council of this bureau?

[Mr. Pouliot.]

Mr. WEIR (Melfort): As far as I am aware item 207 has nothing to do with this item at all, because the cost of the council of the imperial bureau is paid out of this vote. It may be for some special work outside of this, but there has been no change whatever in the type of work that is being done by this bureau.

Mr. STEWART (Edmonton): I draw the attention of the minister to the fact that both items have a similar description; that is under item 207 the executive council of the imperial agricultural bureaux is covered by part of the $18,690 vote, and then here we have, I assume, the usual vote, at least the vote last year and this, $21,000. It immediately occurred to me that there must be some overlapping or some mistake in connection with the appropriation, because it covers the executive council and surely, as this is a new item this year, the executive council must have been covered by the previous vote.

Mr. WEIR (Melfort): My understanding is that it is still covered in that way. I shall be glad to look into that matter and let the hon. member have the information.

Mr. McINTOSH: May I ask the minister if all the dominions are as one with regard to these bureaux? I understand that the grants are being made by the different parts of the empire, but I should like to know if there is complete harmony with regard to these bureaux and with regard to the policy covered by this appropriation.

Mr. WEIR (Melfort): Yes, I believe so.

Mr. McINTOSH: And was this action taken by the dominions simultaneously, or did one part of the empire lead in this matter?

Mr. WEIR (Melfort): I believe it was the outgrowth of a number of conferences of scientists extending over a period of years. It was felt that it would be a saving of duplication and would avoid a great deal of wastage to have the work handled in this way, and to that everyone agreed.

Mr. McINTOSH: And back of each empire government was the support of the people in each case?

Mr. WEIR (Melfort): Yes, I think so.

Item agreed to.

IMMIGRATION AND COLONIZATION

Immigration and colonization—empire settlement scheme, including grants authorized by the governor in council, $10,000.

Mr. STEWART (Edmonton): We would like some information about this item.

Mr. VENIOT: I should like to ask the minister if this has anything to do with the oft reported attempt of someone in Great Britain to locate British settlers on Canadian farms.

Hon. W. A. GORDON (Acting Minister of Immigration and Colonization): This is an item that arises out of an agreement entered into between the Canadian Government and the British Empire Settlement Board in 1927. The substance of the agreement was that a number of British boys should be settled in Canada, and the arrangement set out in the agreement was that if the youngster saved $500 he would be entitled to a loan of $1,250 from the British empire settlement board, a further loan from the Canadian government of $1,000, and an additional sum of $250 from the province concerned. No loans have been made under the agreement, but probably there will be applications during the year, and this item is inserted in the estimates so that the department may be in a position to comply with the terms of the agreement.

Mr. LUCAS: Did the minister say that to date no loans have been made?

Mr. GORDON: No loans to date.

Mr. DONNELLY: Could the minister tell us how many have been settled under this scheme, and how many during the past year?

Mr. GORDON: I have not the figure of those who have been settled under this scheme, but none has been brought out during the last four years, since 1930.

Mr. DONNELLY: Would the minister tell us how many of the boys brought out previous to 1930 have lived up to their agreements and how many have thrown up their hands and gone back home or migrated to other parts of the country?

Mr. GORDON: I have not the figures as to how many have returned to Great Britain, but according to my information—though I stand to be corrected in this connection—I do not think any have gone back. As to how many have lived up to the agreement, I think they have done fairly well. My own view was that the agreement was not perhaps as provident as it might have been, because my view is that if a young fellow can save $500—and apparently some of them are doing it—perhaps he would be following the course of wisdom if he did not start in to borrow, but instead saved another $500. I would not encourage anyone to expand by borrowing if it is possible to save. That may be a little old fashioned, but I have found that it works out very well in any sort of business.

Mr. MACKENZIE (Vancouver): May I ask if any other schemes have been suggested to this government by the British government or by private parties, in reference to settlement?

Mr. GORDON: There have been no direct suggestions to the Canadian government. Various schemes have been talked about, but no definite plan has been suggested by anybody to the government. The Imperial parliament has discussed the matter of empire migration on many occasions, and we are all acquainted with the difficulties that are associated with any plan to distribute the people of the empire throughout the dominions. We know what has happened in a measure in Canada during the last few years, as well as in Australia, from which country a great many more people have returned to Great Britain than migrated. I offer it as a suggestion, whether the outline of any plan comes before me or before anyone who may follow me, that any scheme or plan had better be looked at from very long range and gone into with the utmost care. It has been said on many occasions by men in high places, as well as by others, that we are not attracting British agriculturists to Canada. Well, Mr. Chairman, anyone who makes that statement has little conception of the situation that obtains in the United Kingdom, where perhaps less than seven per cent of the population are agriculturists of a desirable type. It is most difficult to attract from the United Kingdom to Canada an agriculturist who is doing well there; no country wants to give up that type of agriculturist. So I say that any plan for the migration of people, no matter how desirable it may appear, should be examined with the utmost care. No such scheme has been placed before the government, however.

Mr. VALLANCE: Has the government considered at all the General Hornby scheme to place certain settlements in particular communities throughout western Canada?

Mr. GORDON: I have read something about it in the press but the scheme has not been laid before me. Anything I have seen has been merely in the press.

Mr. VALLANCE: I do not know whether or not the minister has the information, but I understand that there is already one settlement out at Lashburn, Saskatchewan, in my own constituency.

Mr. GORDON: I do not know of it. If settlers are being placed there, they certainly

have not brought the scheme before me, and if any such scheme had been on foot I should think it would have been brought before the Department of Immigration.

Mr. VALLANCE: I think I am not divulging any secrets, because I believe most hon. members of this House of Commons, particularly those from western Canada have been, may I use the word, lobbied by the same gentleman, General Hornby. So, while I do not wish to doubt the minister's word, I cannot conceive of a scheme which has been suggested and has gone so far but has not been drawn to the attention of the government. The gentleman in question has been in this House of Commons and has attended at the offices of hon. members. He visited me, soliciting my cooperation. In addition to that pamphlets have been sent out to all hon. members.

Mr. SUTHERLAND: I am very glad this question has been raised, because I have been keenly interested in it. Either General Hornby or someone representing him went to the county of Oxford and waited on the county council. Through their instrumentality options at a certain price have been taken on one hundred farms. It seemed to me there was not sufficient authority to warrant so much action being taken, and I was very much interested when General Hornby came to my office to try to explain the scheme. It seemed to me that he, with probably the best intentions in the world, was pretty much of a visionary and was counting on certain action which he expected would be taken by the British parliament. He appeared to think that all the expense was going to be paid by the British parliament, and that it was going to buy farms in this country at some arranged price, so that people could be brought out. I am very glad to hear from the minister that nothing definite has been done, because I believe a great deal of unnecessary unrest has been stirred up throughout the country, and many very deserving people have a wrong idea of the meaning of the scheme.

Mr. SANDERSON: I have been on my feet four times, Mr. Chairman. Can you not see me?

Mr. MITCHELL: I think every hon. member in this house—

The CHAIRMAN (Mr. Gagnon): The hon. member has spoken once.

Mr. SANDERSON: I have not.

[Mr. Gordon.]

Mr. MITCHELL: I believe every hon. member in the house received a copy of General Hornby's scheme for overseas settlement in Canada. He goes so far as to say the following:

> I am glad to be able to tell you that locations for the first ten settlements under my plan have now been selected in the eastern provinces, namely; two in the province of Quebec; four in the province of Ontario; two in the province of Nova Scotia; and two in the province of New Brunswick. Each settlement is to consist of around one hundred farms —one thousand farms in all, establishing one thousand new British settler families, probably 4,000 or 5,000 persons.

Then he goes on to say:

> My plan for old country community settlements in Canada was presented to the parliamentary migration committee of the House of Commons at Westminster, and to the overseas settlement department, dominions office, in my memorandum No. 11 of July 14, 1933; its financial side was further explained in my memorandum No. 12 of August 9, 1933. Copies of both of these documents are on record at the overseas settlement department, Caxton House, Tothill Street, London, S.W. 1.

I think it is passing strange that this gentleman should go to the extent of appearing before a committee of the British House of Commons and not inform the government of Canada of his plans. I would assume that should such an extensive immigration policy be launched it would have to have the endorsation of and be acceptable to the dominion government.

Mr. GORDON: So that there may be no misunderstanding, no plan has been placed before me, and I believe I can make the same statement for other members of the government, so far as General Hornby is concerned. I do not however wish to appear to mislead. General Hornby saw me sometime in the early fall, stating that he was going to Great Britain in connection with some scheme for British settlement. I expressed no opinion about it either one way or the other, because he was by no means clear as to what his plan was. I do not think that he knew himself, exactly, what the plan would be, but rather he was going to Great Britain to interview some people he knew with respect to a scheme which he was evolving in his own mind. As I said a minute ago, a great many press dispatches have appeared in the newspapers discussing the possible plan of General Hornby, but no plan, as such, other than that which I have learned from press dispatches and not more than two interviews with General Hornby, was submitted. I see that in the British

House of Commons in December of last year a resolution reading as follows was adopted:

That this house is of opinion that the time has now come when His Majesty's government should get in touch with the governments of the dominions with a view to putting forward a scheme for the voluntary redistribution of the white peoples of the empire, and the stimulation of shipping and trade under the flag.

A number of observations were made by various members of the British House of Commons, but nothing other than the adoption of the resolution seems to have come of it.

Mr. MACKENZIE (Vancouver): Was it carried?

Mr. GORDON: The house adopted the resolution I have read.

Mr. MACKENZIE (Vancouver): Did not the government act upon it?

Mr. GORDON: No, we have received no intimation from the government of the United Kingdom, and I would suggest that if any plan of settlement of the British people throughout the various dominions, as indicated in the resolution, is to be considered, we might well wait until we receive an official communication from the British government, and not depend upon the plans of an individual which may or may not be sound, and which perhaps have small chance of receiving support either in the United Kingdom or here.

Mr. WOODSWORTH: Mr. Chairman—

Mr. SANDERSON: Mr. Chairman—

Mr. McINTOSH: He saw you at last.

Mr. SANDERSON: I wish to point out that the remark you made to me a minute ago, namely that I had spoken, was not correct.

The CHAIRMAN (Mr. Gagnon): I apologize.

Mr. SANDERSON: And if I had spoken once I have the privilege of speaking a dozen times more.

The CHAIRMAN (Mr. Gagnon): But three hon. members cannot speak at the same time.

Mr. SANDERSON: I should like to ask a question. I understood the minister to say that the agreement was entered into in 1927.

Mr. GORDON: I believe that is correct.

Mr. SANDERSON: When does it expire?

Mr. GORDON: There has been nothing done under the agreement since 1930, so far as any further immigration is concerned. While so far as I know the agreement has not been formally cancelled, yet—

Mr. SANDERSON: Is there any definite time in the agreement as to when it terminated?

Mr. GORDON: I am not sure about it; I have not the agreement before me, but I could quite easily get it.

Mr. DONNELLY: How many provinces entered into the agreement?

Mr. GORDON: I would have to have the agreement before me in order to say that. I do not carry that information in my memory.

Mr. WOODSWORTH: With regard to the Hornby agreement, it seems to me that the minister has hardly gone as far as this committee might expect. It is very gratifying that the minister has not entered into any arrangements with regard to this matter, but I do not think the situation is quite satisfactory when we find that a private individual is actually obtaining options on lands and is proposing to bring in settlers without having his scheme definitely recognized by this government. I take it that the Immigration department ought to be held responsible for the immigration of people to this country, and when we consider that for the last year or two the Immigration department has been busy chiefly with deporting people from this country, and further, that the government is now entering into a scheme to try to lessen production in this country, I think it is absolutely absurd to permit the British government or anyone else to bring more people into Canada. It is not what the British government may desire to do. Surely we have a right to think of things in Canada and of our own people here, to say nothing of the rights of those who may possibly become agricultural settlers in this country. For years and years past we have been busy in this house protesting against the bringing of people into the country where conditions do not permit them to make a livelihood, and any of us who has been connected with social work knows of the hardships, and often the very severe hardships, through which people from Great Britain have had to pass before they could get a foothold in this country, and now within the last few months we have had the exhibition of large numbers of them, running into the tens of thousands, having to be deported because they could not make a go of it. Under those circumstances I think it is cruel to bring anyone into this country, nor is it fair to the people who are here to have an added burden put upon them until we change our economic arrangements so that the people here can make a living.

Mr. VALLANCE: I do not wish to enter into a general discussion of the question of immigration or of the policy Canada should adopt, but there are some facts which are being brought to our attention very forcibly from day to day. As to the Hornby scheme, the minister says that the government has not been approached, and probably we should not discuss it. All I have to say of the Hornby scheme I have already said. There is one fact I should like to mention. I do not know whether it is because I myself am an immigrant, but I find quite a number of my own countrymen in this city appealing to me from day to day, at least in my office, and I should like to ask the minister to what extent have British immigrants been sent back to the old country within the last two years. A Scotchman called on me the other day, a stone mason, now on relief in this city, and who will have been in Canada five years next July. He has received notice that he is to be deported before the expiration of his five years. I would like to know from the minister how many individuals there are in that position whom the department is contemplating sending back to the old land.

Mr. GORDON: I can procure those figures on some other item. There has been a misconception, I think, and perhaps a little loose talking in places as to people who have been returned to their own country. Some have talked of tens of thousands and that sort of thing when the actual figures, which have been tabled in the house, will disclose that that is not the situation. I am relying now upon my memory, but if those figures are examined, and they were analyzed for me by the officers of the department not so long ago, they will disclose that of those who were returned to their country of origin the percentage of deportees returned as such, that is against their will, was comparatively small. The house must bear in mind that prior to 1930, rightly or wrongly, and I am not complaining against what was done, many hundreds of thousands of people were invited to come to Canada, and in spite of what the hon. member for Winnipeg North Centre (Mr. Woodsworth) has said, I think the time will come when this country will again be sufficiently attractive so that many more hundreds of thousands of people will come here from Great Britain.

Mr. WOODSWORTH: Does the minister think that that time is here?

Mr. GORDON: I do not think, so far as the hon. member is concerned, that that time will ever come.

[Mr. Woodsworth.]

Mr. WOODSWORTH: That is not an answer to the question. Does the minister think that that time is now?

Mr. GORDON: No, of course it is not now. There were many people who never had an opportunity to become established. They were not here long enough. They had little if any funds when they landed, and a very large percentage of those returned were sent back to the United Kingdom at their own request. Then there was a considerable percentage who refused to accept employment. There was another percentage who would accept employment but only under conditions as to wages and so forth that were impossible at the present time. But the percentage who were sent back to Great Britain out of all those who were returned is comparatively small, and before my estimates on the Immigration department are through I shall have those figures available for the committee.

Mr. VALLANCE: I find that a return was brought down to an order of the house moved for by my hon. friend from Provencher (Mr. Beaubien), appearing at page 589 of Hansard. I was not aware of that fact before. It shows that in the last four years 13,080 have been deported to the British Isles.

Mr. GRAY: Referring to the Hornby scheme, rightly or wrongly the impression has got abroad through the press that Hornby was encouraged to go to the provincial governments by this government. I should like to know from the minister, if he will give it, exactly what encouragement or suggestions he did give to Hornby when he was here following the meeting of the chamber of commerce.

Mr. GORDON: I think, Mr. Chairman, that I have explained the situation as well as I can. On the two occasions, once last fall and once I think probably a month ago, when General Hornby saw me, my attitude towards his activities was simply that I could hear only representations made from the United Kingdom, and on neither occasion did General Hornby have any plan that I could call a plan to lay before me. I have received no overtures or plan from the British government.

Mr. GRAY: Was Hornby encouraged to visit the provincial governments?

Mr. GORDON: Oh no, I did not encourage him one way or the other.

Mr. McINTOSH: Has the minister heard from any of the provincial governments regarding the scheme?

Mr. GORDON: I think not.

Mr. MANION: Perhaps I might add a word just to show that the government, so far as other ministers are concerned, took exactly the same attitude as that taken by my hon. friend the Minister of Immigration. Within the last month I received a letter, which I did not mention to the Minister of Immigration but which I did to the Prime Minister, from the management of the Canadian National Railways. General Hornby had asked them for assistance financially for his immigration scheme; he had also asked the same of the Canadian Pacific Railway, and they asked our advice about it. My advice was that we should not take any part in this scheme at all. I mention that just because it shows that apparently the government was, from different angles working along exactly the same line, and I think it is hardly fair to suggest, as has been done, that the government was in any way encouraging this scheme.

Mr. MITCHELL: I would ask the minister to be good enough before his items are through to bring down figures of deportations on a racial basis, and also showing the number who were deported for destitution, the commission of crimes, and for other causes under the act. I should like to know definitely the number of requests that have been received from different racial groups for deportation. I ask for that information because I believe that until this country reaches the stage that has been reached in Great Britain in social legislation in the past twenty-five years immigration is out of the question. It is out of the question to people in the old land where there is unemployment insurance, health insurance, besides widows' pensions and many other forms of social legislation such as we find there; they cannot be expected to come to a country where they are more or less left to their own resources without protection in case of unemployment and adversity. That point of view quite often is not sufficiently stressed—the lack of desire on the part of the people of Great Britain to leave that country in view of the absence of social legislation here to take care of the hazards that beset people engaged in every walk of life. I was in England this year and I was told that people were returning from different parts of the world at the rate of 1,000 a week. I should like the minister to get that information.

Mr. GORDON: I believe I can secure the information with fair accuracy. From 1900, say, until 1930, there would be probably 30,000 or 35,000 deported, and from that time on the ratio is greater, though not that number. How far back does the hon. gentleman want me to go?

Mr. MITCHELL: Since the beginning of the depression; from 1929, say.

Mr. GORDON: Beginning with the spring of 1929?

Mr. MITCHELL: In a time of prosperity there is usually emigration to various countries where conditions are good. Suppose people wanted to leave this country; are there any prosperous countries to which they could emigrate?

Mr. GORDON: Perhaps I can satisfy the hon. member in part with a statement just handed to me. It covers the years 1932 and 1933.

Immigrants deported as Public Charges during the calendar years 1932 and 1933

—	Applied to department for deportation	Desire for deportation disclosed in Board				Appeal dismissed	Would consider employment but did not appeal	Totals
		Refused to consider employment	Demanded impossible wage or working condition	Illness	Anticipated employment in native country			
British Isles	2,722	1,075	207	314	796	377	87	5,578
Other countries	810	893	234	308	274	497	164	3,180
Grand totals	3,532	1,968	441	622	1,070	874	251	8,758
Percentages								
British Isles	49	19	4	6	14	7	1	100%
Other countries	26	28	7	10	8	16	5	100%
Grand totals	41	23	5	7	12	9	3	100%

This review for the two years will, I hope, set at rest some very extravagant statements that have been made by those who have not been acquainted with the facts. We all like to face facts, and if they are not pleasant we want to face them anyway; but we do not want to have spread throughout the country extravagant and misleading statements. Nor do we want statements calculated to pour salve on wounds without being helpful.

Mr. MITCHELL: I was in a number of countries in Europe this year, and I wonder how many people wanted to go back, say, to Italy. How many wanted to go back to Germany or to Poland?

Mr. GORDON: We rarely get requests from people wanting to go back there. I will try to have a definite statement made with regard to the other countries.

Mr. HEENAN: While the minister is preparing that report, I hope he will also give us information with respect to what kind of employment was refused by these men, and what were the impossible conditions of employment that they demanded and were not given?

Mr. GORDON: I would like to make the return this session.

Mr. HEENAN: I hardly think the minister would countenance the deportation of a Canadian citizen or a man from Canada unless the hon. member had positive proof that conditions of employment offered were such as would afford a Canadian standard of living.

Mr. GORDON: But a Canadian citizen is never subject to deportation.

Mr. HEENAN: I said: A man from Canada. I have heard it said by some people, I do not know by whom, that those in opposition are supposed to offer congratulations to the government when they are doing right and to give helpful suggestions. I rise at this time to say to the Acting Minister of Immigration that I am fully in accord with the position he has taken with respect to immigration to Canada. He has, however, suggested that we might wait until such time as a concrete system of immigration is offered to the government. I do not agree there because that might be too late. Inasmuch as gentlemen in another house of parliament, that at Westminster, have, because of their action in carrying a resolution, not hesitated to say to the people of Great Britain and Canada what their views are with respect to emigration from the British isles to this country, this is an opportune time for us in Canada to say something as to what we might approve in this country.

When I said that I rose, because of being in opposition, to be helpful to the minister, my mind went back to around 1929; it could go back further, but it went back more especially to 1929 when the present Prime Minister sat on this side in opposition and advocated that the more people we brought to Canada, the more work and employment there would be for those who were in this country; when the Minister of Railways said that Canada might be the mecca for the surplus people of the whole world if we had a proper government and a proper fiscal policy; when the organizer of the Conservative party, General McRae, then member for Vancouver North, advocated bringing either 250,000 or 300,000 families to this country at an expense of $300,000,000, or $30,000,000 a year for ten years, and when that glorious old Tory, the Hon. Howard Ferguson, was making a trip through Europe canvassing the various countries there to send their surplus people to this province and criticizing the then government because we were too careful in our selection of the type of immigrant we wanted to come here. I am wondering where that policy has gone. Why the change? There is now in office a government that is satisfactory to the Minister of Railways, a government that, I hope, has a policy that is satisfactory to him; and he said that if we had that policy and that government, this country should be a mecca for the surplus people of the whole world. What is the trouble now? I would say to the Minister of Railways that I am glad he has changed his view. Responsibility is a great thing.

Mr. MANION: So is irresponsibility.

Mr. HEENAN: For fear I might be charged with misquoting the Minister of Railways, it will be found that when he was supporting General McRae's proposition, he said this:

> We have one of the greatest countries in the world and if it were properly handled it should be the mecca for all the desirable peoples in all the overcrowded portions of the earth.

Again he said:

> My complaint is not so much that the number of British immigrants is not larger, as that our immigration of all classes is much too small. The question is often asked how many can we absorb in this country?

Again he said:

> I submit that we can take many more immigrants of all kinds.

Again:

> I submit that we have a need for people of all classes.

I am not entirely blaming the Minister of Railways because that was the general view of the Conservative party when they were in opposition. The Conservative press throughout the country lambasted the government of the day, pointing out that we were trying to hold Canada in a narrow channel and to restrict immigration. We have heard the Acting Minister of Immigration this afternoon speak of the proportion of agriculturists to be found in Great Britain. Anyone who knows anything about industrial England is well aware that very few people in that country are engaged in agriculture and that you cannot make an agricultural out of an industrial population. So where are we to get these agriculturists and what were we to do with them when we got them here?

I think the Acting Minister of Immigration and the government should tell General Hornby what we propose to do in this country. Who is financing him? Is it the British government or some select few people who want to get rid of the unemployed population, trafficking in humanity, throwing people from one country to another? Is that the game in which Canada is to be engaged? General Hornby appearing before labour people in the city of Winnipeg has a plan all set out for so many thousand people to be settled in certain communities and all that sort of thing. He has even provision made for their return to Great Britain if they do not make good. How are our Canadian workers to be safeguarded so that these immigrants will return to Great Britain? All these questions must be taken into consideration.

I say again that I congratulate the Acting Minister of Immigration and the Conservative government on their right about face on the immigration question. I think I can congratulate the Conservative press because, since this government came into power, they realized it could not provide work for the people who are here much less for those it might bring in from outside.

In conclusion, I hope the minister will view and continue to view with alarm any proposals that are made by anybody outside Canada.

Mr. MANION: I do not intend to delay the committee long, but that speech of mine has been quoted so often by my hon. friend and others that I should like to refer to it for a moment. I did speak after General McRae, but my hon. friend is quite incorrect in saying that I supported General McRae's resolution. I remember it very well; he proposed, I think, the bringing in of something like 250,000 or 300,000 people to the Peace River territory. My hon. friend will search my speech in vain to find any word of mine supporting that scheme. I did at the same time speak of immigration, and I did say that in those days of great prosperity—

Some hon. MEMBERS: Hear, hear.

Mr. MANION: Well, surely my hon. friends are not finding fault with me for pointing that out. I did say that in those days of prosperity, with the proper policy, this country might well be the mecca for the suitable surplus people of the different parts of the earth. I adhere to that position absolutely. Everyone at that time, I think it was 1929—

Mr. MACKENZIE (Vancouver): May 22, 1929.

Mr. MANION: I think at that time everyone in Canada, Mr. Beatty, Sir Henry Thornton, nearly all the business men and most of the politicians, including my hon. friends who were then in power, were taking the attitude that we should bring immigrants to this country. No one then thought that in the following October the world was going to be overtaken by the greatest depression that had ever occurred, and that it was going to continue for four years. I take the attitude now that when the depression is over, when Canada is once more on the upgrade—it is now to my mind, but not back to normal at all—when it is back to normal I believe Canada will require more immigrants. I do not believe that this country with three and a half million square miles, double the whole area of Europe exclusive of Russia, will continue to limit its population to the ten millions in the country at the present time. I believe the time will come when, normal conditions being restored, we will again bring immigrants to this country and be able to absorb them. I do not wish now, especially in the discussion of my hon. colleague's estimates, to get into any debate on this subject, but I desire just to point out, as I did yesterday in Montreal, what is my firm conviction. I mentioned also, without criticizing my hon. friends—because I said everyone at that time advocated bringing in immigrants—that my hon. friends in three years during their regime brought in 436,000 immigrants. They were proceeding in accordance with my belief at that time that we should bring immigrants to this country, because conditions were good. During the last three years, in contrast to the 436,000 brought in by my hon. friends opposite in their last three

years, my hon. friend the present Minister of Immigration has allowed in only 60,000, and I think quite rightly; because I entirely agree with those in this house who take the attitude that in times like these when we cannot look after our own Canadian unemployed we should not bring in immigrants. But I get back to where I started, that is, that I believe that when we get back, if ever, to a normal world condition, and Canada is enjoying deserved prosperity, we will once more be a mecca for good types of immigrants from various parts of the world, and will be glad to get a great many of them.

Mr. DENIS (Translation): In rising, sir, to take part in this debate, I have no intention of delivering a speech which might serve, perhaps, in ten years, when the world will have again settled down to normal conditions. Under the present circumstances, we should refuse to participate in the colonization policy of the Empire and not encourage it by contributions to send settlers who would certainly become a burden to this country. The government must be aware that, for the last three years, it has been unable to provide for the needs of our unemployed. It behooves the government to place the little money which remains at the disposal of our fellow-citizens and not contribute to again increase the number of unemployed.

That is why I am opposed to this item of $10,000 to participate in this colonization plan. Members on the government side who hail from Quebec and who have, for the last three years, been criticizing, on hustings, the former regime for having fostered immigration in this country, must have been shocked in learning to-day, in the house, that their friends are ready to foster immigration to Canada, even in these times of depression.

I wish to protest, sir, against the expenditure of $10,000 and I request the government to put into practice what the right hon. Prime Minister (Mr. Bennett) has been preaching for the last three years: "Canada First." Let us endeavour to first help our fellow-citizens to earn a livelihood and let us leave in their own country those who have not the means to settle in Canada.

Mr. VALLANCE: I rise merely to register a protest against a statement made by the hon. member for Kenora-Rainy River in dealing with immigration. He said that only seven per cent of the British people are engaged in agriculture, therefore good agriculturists could not very readily be made out of the other ninety-three per cent. I take exception to that statement; some of the best agriculturists that western Canada has produced came from the industrial centres of Great Britain.

The hon. member for Kenora-Rainy River quoted from the famous speech made on May 22, 1929, by the present Minister of Railways, who says that during the years we were in office we brought in 436,000—

Mr. MANION: The last three calendar years, I said.

Mr. VALLANCE: That makes it that much worse. He now asserts that this government has admitted only 60,000. Let us see how that compares with the statement quoted by the hon. member for Kenora-Rainy River. If the farming country is as prosperous as the Prime Minister and some of his followers claim, we should be able to absorb hundreds of thousands of all classes of immigrants from all countries. Even the 436,000 brought in in those three years were not enough; the Minister of Railways thought we should have brought in hundreds of thousands from all countries. How then does he justify his present commendation of this government's position in admitting only 60,000?

Mr. MANION: Simply by world conditions, that is all. I did not criticize the late government for bringing in that number, and I said so; I simply pointed out that they had brought so many in and we had cut the number down to 60,000, giving round figures from memory. As a matter of fact this government has been forced to reduce the number, not because I do not believe every word I said then, but because of world conditions, a depression such as the world never experienced before, and in which we share.

Mr. VALLANCE: All I wish to say is that in May 1929 the present Minister of Railways made that statement. In 1930 he and his colleagues in the present administration went about the country preaching blue ruin, and to-day he is Minister of Railways simply because of that. They spoke of the deplorable conditions existing in Canada, and said that it was not a world condition but peculiarly a Canadian condition; there was no depression in Europe, they said. Why, the depression in Europe was four years old at that time, before it ever struck Canada.

Mr. MANION: I did not discuss the depression in Europe at all. I do not know what my hon. friend is talking about.

Mr. VALLANCE: In 1930 the hon. member said it was peculiarly a Canadian condition.

Mr. BROWN: Due to the policy of the Canadian government.

Mr. MANION: Oh, nonsense.

Mr. BEAUBIEN: In every speech he made.

Mr. VALLANCE: It seems so many want to talk to the minister that I am not going to be privileged to say much more. But I just want to put the minister straight on this, that his attitude in May, 1929, was that we should bring in hundreds of thousands of immigrants from all countries.

Mr. MANION: You were doing it.

Mr. VALLANCE: Then on the 5th day of March, 1934, he stands up and excuses this government by telling us that we brought in 460,000 immigrants at the very time he was telling us we should have brought in hundreds of thousands more. Now he says, in appreciation of this government, that they brought in only 60,000. I hope that when the government goes to the country, which probably will be this year, his attitude will be different —as I know it will—from his attitude in 1930. They pulled that stunt, to use the vernacular, in 1930, but it cannot be repeated in 1934.

Mr. BROWN: The thing that impressed me in this discussion, after listening to the Minister of Railways and his recognition of the fact that there was a period of great prosperity before this government came into power, no matter who was responsible for it, was my recollection of the vicious, bitter, uncalled for attacks that were made upon the Minister of Immigration of the previous government. I may say to hon. members of the house who are here for the first time that if they have thought sometimes the government opposite have been subjected to severe criticism, they should have sat in this parliament from 1922 to 1930. We all remember the attack made upon the government with regard to the customs department; we all recall the bitter attacks made upon the then Minister of Immigration, and if I am ever disposed, as I sometimes am, to let up on my criticism of the present government, my thoughts go back to the attacks made upon the late Hon. Robert Forke when he was Minister of Immigration. It was not only the private members of the then opposition who attacked him; I cannot forget how the present Prime Minister spoke of the late Hon. Robert Forke as a man who was temperamentally unfitted for the great position which he held. A whole session was devoted by the opposition to attacks upon that gentleman.

Mr. VALLANCE: Just along the line of what my hon. friend has said, on Thursday night I was greatly tempted to rise and recite just what the hon. member for Lisgar has stated the present Prime Minister said across the floor of the house to the then Minister of Immigration; I should have done so had it not been for the esteem in which we all hold the present Minister of National Revenue. We all remember the Prime Minister saying: "Why can you not remember it?" and "Why, Mr. Chairman, what a spectacle; a minister of the crown not able to give the information." We were too kind on Thursday night, in sheer deference to the new Minister of National Revenue, but as the hon. member for Lisgar says, sometimes we get a little warm under the collar when we listen to hon. gentlemen opposite now that they are sitting to the right of the speaker.

Mr. LUCHKOVICH: I have often heard Canada referred to as the mecca of the workingman, but I have also heard people in this country refer to Russia in the same way. The hon. member for East Hamilton asked with regard to the number of workmen in this country who have asked to be deported to Russia, and I was wondering if that number was very large.

Mr. GORDON: There will be little difficulty in finding that out. While I have not the information before me I can say that we have very great difficulty in returning anyone to Russia because of the passport troubles that I presume are well known to my hon. friend. However, I will secure the information before my estimates are through.

Mr. LUCHKOVICH: But are they very anxious to go back? That is what I want to know.

Mr. GORDON: I do not know of any that have expressed themselves in one way or the other.

Mr. BEAUBIEN: The Minister of Railways said that 60,000 immigrants have been brought to Canada since this government has been in power.

Mr. MANION: No, I did not say that; I said in the last three years, and I was speaking of calendar years.

Mr. BEAUBIEN: Very well, but I will take the figure of 60,000. The Minister of Immigration has said that since this government has been in power some 26,000 people have been deported, so in view of that fact would it not be just as well to change the name of this department from immigration to deportaton?

Mr. GORDON: If I might put my hon. friend right, there has been no such number of deportations. I think the number would run closer to 16,000.

Mr. BEAUBIEN: According to a return tabled by the minister on February 15, the figure is about 26,000, of whom over 13,000 were British subjects. Coming back to General Hornby's scheme, may I say that this man has been going across the country addressing boards of trade, Canadian clubs and other organizations, creating the impression that there is a big scheme under way to bring immigrants to this country. He has caused a great deal of unrest in many localities, and I should like to ask the minister if he does not think it would be advisable for him, as Minister of Immigration, to give to the press a statement pointing out that there is no foundation to this scheme and that this government has not encouraged it in any way. I think it would be a good thing, because it would relieve the erroneous impression that has gone abroad.

Mr. GORDON: What is his scheme?

Mr. BEAUBIEN: I do not know.

Mr. GORDON: Neither do I. Am I to give a statement to the press condemning a scheme when I know nothing about it?

Mr. BEAUBIEN: If General Hornby interviewed the minister a couple of times the minister must have some idea of the scheme.

Mr. GORDON: I said he did not have a very clear idea when he saw me.

Mr. BEAUBIEN: If he is getting locations of land and so on, surely the department could find out about his scheme.

Mr. ROBINSON: The department is not a police force.

Mr. BEAUBIEN: Well, they have a certain responsibility. To-day thousands of people cannot find work and cannot get enough to eat, but the impression has been going out that under this scheme thousands of immigrants will be brought to Canada to settle in different parts of the country. With all respect I think the minister should issue a statement denying these reports.

Mr. McINTOSH: Did I understand the minister to say that he does not know the Hornby scheme, a British migration movement, that has been discussed with the different provincial governments?

Mr. GORDON: I do not.

[Mr. Beaubien.]

Mr. McINTOSH: I have an outline of the scheme here if the committee would like to hear it; it is very brief. With regard to Prince Edward Island General Hornby says that he has not yet visited that province at the request of the government, but that he intended to do so at the very earliest opportunity after his return to eastern Canada. With regard to Nova Scotia two locations have been selected and the approval of the provincial government has been obtained. In New Brunswick there are two selected locations, and again the approval of the provincial government has been given. In Quebec two locations have been chosen but approval has not been given. In Ontario four locations have been selected, in the counties of Middlesex, Oxford, Brant and Glengarry and Stormont. No approval has been given as yet. In Manitoba two locations have been provisionally accepted, but the approval of the government has not been given. In Saskatchewan the number of locations selected is four. Approval has been given by the Saskatchewan government to those four locations. I understand one of them is at Lashburn, a short distance from North Battleford. In Alberta the number of selections is six; no approval has yet been given, but negotiations are of course going on between General Hornby and the provincial government. In British Columbia the number of locations selected is one; no approval has yet been given.

Then, following these locations in the nine provinces this statement is made in the memorandum broadcast by General Hornby:

> The above mentioned twenty-three settlements, each to consist of one hundred farms are the first instalment of what will undoubtedly become a great overseas migration movement from the old country—a voluntary, spontaneous and continuous movement, involving eventually the establishment of no less than 250 such community settlements, 25,000 farms in all, absorbing at the outset 25,000 new settler families, 125,000 persons, and maintaining an uninterrupted flow of at least 5,000 families, 25,000 persons, to Canada every year. Every county in the United Kingdom, and every town of importance should have its community settlement in Canada, to take care of its selected immigrants.
>
> For the next few months in Canada our work will be confined to the lining up of the farms to make up the proposed settlement at each of the twenty-three selected locations.

But these are only a forerunner of a large movement which is to take place from year to year after these locations have been definitely settled, approval given by provincial governments and all details worked out.

Now, Mr. Chairman, I am not going to say any more, but may I add simply this: that

if the department at Ottawa through the minister has not had this policy of General Hornby presented to it, apparently the federal government is either directly or indirectly linked up with it. For instance, in the memorandum from which I have been reading I find information which I believe the minister should have, and which I am quite pleased to give him. It is as follows:

> For the same reason I welcome the step taken by the federal government in placing the services of the staffs of the land settlement department and the soldier settlement department at the disposal of the provincial governments, for the purpose of making surveys and reports, where required.

There is a definite link up between the Department of Immigration and Colonization of the national government with the colonization departments of the different provincial governments. Consequently I think the headquarters at Ottawa ought to have all the facts and all the details of this policy to give to the house, so that information may be given not only to parliament but to the country.

The CHAIRMAN (Mr. Morand): Shall the item carry?

Some hon. MEMBERS: No.

Mr. McINTOSH: May I ask the minister if this authority was given to the soldier settlement board, and to the land settlement board?

Mr. GORDON: Officials of the soldier settlement board, who are really the land settlement branch of the immigration department, since we started colonization at home, have been constantly at work endeavouring to tabulate, so far as possible, suitable available lands for colonization. It is a difficult task, because many of these lands are privately owned. I have not had the officials of the department go to the trouble of tabulating these lands in any great detail, because of necessity they change from week to week and from month to month. But if General Hornby or General anybody else wants to go to the department and get all the information they have in matters of this kind, he is at perfect liberty to do so.

I can say only this, that I am amazed at some hon. members going to the length of utter condemnation of British settlement in Canada, because I by no means agree with the view that the right type of British settler would not be a very welcome person in Canada, and I should not like to see the time when he would not be welcome. Remember, there are other schemes constantly affecting and concerning settlement in Canada. We have the community settlements of western Canada, which have grown up in the last fifteen years, and we have other types of settlement, both assisted and unassisted. To the extent that our predecessors in office put forth their activities towards inviting and encouraging the right sort and type of settler to come to Canada, I have no complaint. But I do have a complaint which I shall now register, in case I have not done so before, that when I took over the administration of the Department of Immigration there were permits granted to hon. members on both sides of this chamber, to railway companies, to various agencies of all kinds and characters. Remember, there was not just one man's name on a permit, and information showing where that man's background was investigated, but on one sheet of paper there would be authorization for admission of large numbers and these were sent to Europe and traded in among the steamship lines at so much a head. That is the kind of immigration I condemn and will continue to condemn.

But I commend the late government to the extent that their activities were conducted—and they were in some measure—towards the invitation given to the right type of person to settle in Canada. They are entitled to that commendation, and I have no hesitation in giving it.

Mr. STEWART (Edmonton): Mr. Chairman, having sat in this house since 1921 I find it interesting to listen to this discussion on immigration. Fortunately or unfortunately I happened to be Minister of Immigration at a time somewhat similar to the present. At that time the force and eloquence of the opposition were directed to the desirability of widening the field for immigration, and of the expenditure of more money for that purpose in order to bring in more immigrants. Not only that, but the financial houses in eastern Canada, and the railway companies, were putting up money for the purpose of encouraging people to come to Canada. Sometimes I have been incensed when, sitting in this house, I have listened to the statements of hon. gentlemen opposite who, on the occasion to which I have referred, were most vociferous in their declarations that the government was not doing its duty and was not getting more people to come to Canada.

Let me say now, as I said in 1921, that I do not believe the Canadian government should spend a dollar in bringing immigrants into Canada. Any man who is worth his salt

and wants to come to Canada could be examined, but we should get away from the idea of inviting people to come to this country.

Mr. GORDON: We are not at the present time.

Mr. STEWART (Edmonton): No, I know you are not at the present time. With one exception I am not complaining about what is happening now. When the minister states that he believes British settlement would be worth while, I agree, but when we listen to the returns to which references were made by the hon. member for Provencher we find that fewer continentals than Britishers were returned. I wish to bring that to the attention of the committee.

Mr. GORDON: I gave the explanation.

Mr. STEWART (Edmonton): But I may also direct my hon. friend's attention to the fact that not in this house but outside of it, much of the difficulty experienced in the present day with respect to unemployment was brought about by the uncontrolled flow of immigration into Canada in former times. If it was uncontrolled my hon. friends opposite must take their fair share of the responsibility because there was only one group in this house, which sat in the far corner to my left, which from the day it entered the house consistently up until this moment opposed immigration into Canada. The Conservative party, on the other hand, backed by the financial interests of eastern Canada and the transportation interests, were continually driving any government and any minister who would listen to them into unlimited immigration. It was the only way in which we could pay our public debt; that was the argument, but unfortunately these immigrants, and it is no reflection upon them to say so, have become a burden to us to-day rather than a help in paying our public debt. This is not the first time that ministers have had to sit back and take a castigation over immigration, not by a long shot, and a castigation from the very gentlemen who now seek to adopt a defensive attitude. It is just as well that they be reminded of this once in a while because I had to take my share when hon. gentlemen opposite were sitting over here. I sat for four days where the Minister of Immigration is now sitting, listening to sixty-five members in the far left corner of the house demanding that the immigration estimates be cut in two if not abolished altogether, because we had no place in Canada for immigrants, while from the Conservative benches in this house, then the opposition, there was a most vociferous demand for increased immigration all along the line. I need only remind hon. gentlemen opposite that as late as 1927 or 1928 the then member for Vancouver, now Senator McRae, propounded a scheme to the house which if it had been put into effect would only have added to our present difficulties. So I say that hon. gentlemen opposite are not warranted in the criticism which they are levelling against the government that preceded them in office. True, the late Hon. Mr. Forke when Minister of Immigration entered into agreements with the railway companies to bring people to this country, but it was done upon the insistent demand of hon. gentlemen opposite then sitting on this side of the house, and various organizations throughout the country, churches and everybody else, were behind that demand. Now we are all agreed that that policy was a mistake; for we have a very serious state of affairs in this country. The present difficult position in which we find ourselves is not by any means due entirely to immigration, because in comparison with the number of people in Canada our immigration during the last eight or ten years did not amount to very much. I shall have something to say later, Mr. Chairman, as to other causes for our present conditions, but this is not the time or place to enter into such a discussion.

Mr. HANSON (York-Sunbury): Mr. Chairman, I happened to be in the House of Commons when the hon. gentleman who has just taken his seat (Mr. Stewart, Edmonton) was Minister of Immigration, and I remember the debates to which he has made reference. I challenge him to say that at any time the official Conservative opposition of that day ever advocated uncontrolled immigration into this country.

Mr. VALLANCE: As late as 1929.

Mr. HANSON (York-Sunbury): Not uncontrolled; we urged selected immigration.

Mr. STEWART (Edmonton): What about General McRae's scheme?

Mr. HANSON (York-Sunbury): His scheme was never crystallized in the form of resolutions, and was never the policy of the Conservative opposition. As to the criticism of the hon. member for West Edmonton (Mr. Stewart) he himself never had any concrete policy on immigration. I remember him standing in his place in this row and making a speech, seven hours in length, if I recollect aright, and when he got through no one knew what his policy was, not even himself, and I leave it to my hon. friend from Quebec South (Mr. Power) if I am not right.

Mr. POWER: He must have been a good man.

Mr. HANSON (York-Sunbury): The trouble was that the government had no well formulated plan in those days, and they were bringing in people who did not stay here. We had the spectacle in this country of one million Canadians leaving Canada under the regime of the right hon. gentleman who leads the opposition, and they brought in about as many immigrants from continental Europe.

Mr. DUFF: The only reason they do not leave now is that they cannot get out.

Mr. HANSON (York-Sunbury): That would be too bad if it deprived my hon. friend of any assistance. My reply to the hon. gentleman who has been scolding the minister is this, that when he was Minister of Immigration his government spent all kinds of money to bring people into Canada, and then by a policy of attrition, wearing down the industries of this country, they drove out the immigrants they had brought in, or drove out our own people, and Canada lost just that many. Through the policy or lack of policy on the part of the late government we lost millions of Canadians whom we shall never replace.

Mr. STEWART (Edmonton): You are getting them back.

Mr. HANSON (York-Sunbury): No. Some of them will never come back. We also had a lot of southern Europeans brought into this country who never should have been brought in.

Mr. BEAUBIEN: We are feeding over one million people in this country through the policies of this government.

Mr. GORDON: There seems to be some difference of opinion whether this item should pass or not, and so, Mr. Chairman, I would suggest that the item stand.

Mr. DUFF: I think you had better.

Mr. GORDON: Your suggestion is not helpful.

Item stands.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. GUTHRIE: In view of the discussion that has taken place we will let item 52 stand and take up item 160.

For administration of the Explosives Act (chap. 62, R.S., 1927), $7,000.

Mr. McINTOSH: The minister was willing that I ask a final question, but if he thinks it will take too long now I am content to abide by his decision and await a subsequent opportunity.

Mr. GORDON: There will be ample opportunity.

Mr. STEWART (Edmonton): There is quite a reduction here. Is it due to the inspection by the mounted police?

Mr. GORDON: Yes.

Item agreed to.

NATIONAL DEFENCE

Administration, $318,000.

Mr. MACKENZIE (Vancouver): How is the reduction accounted for?

Hon. D. M. SUTHERLAND (Minister of National Defence): We try as far as we can to have the officers moved around as little as possible, thus saving in travelling expenses.

Mr. REID: How many camps are under the jurisdiction of the department in British Columbia?

Mr. SUTHERLAND: That would not come under this item.

Mr. MOTHERWELL: Will the minister classify this item into the various units that comprise it, so that it will be a little more intelligible?

Mr. SUTHERLAND: This vote is for pay, allowances, transport and travelling expenses of militia officers holding staff appointments; that is, the staff appointments at Ottawa and in the various military districts which exist in every province of Canada.

Mr. SANDERSON: This is the permanent force.

Mr. SUTHERLAND: Yes.

Mr. MOTHERWELL: How long are we going to keep up these military districts with all this paraphernalia in every province? They were there when we were in power, but they were being gradually reduced. I do not think we are confronted with a war in Canada. There is of course a good deal of war material to be housed and that has to be taken care of. But are we going on indefinitely with all this business of war preparations?

Mr. SUTHERLAND: These are the key men who run the whole institution, and they have to be prepared to instruct and administer

the whole militia force. There is no increase in them. It has been generally felt by every government since we have had a country at all that we must have a military force, and so long as we have a military force we must have a head and a staff to administer it. The general vote has been cut down in the last few years from something like $22,000,000 to about $12,000,000, but that has been in the non-permanent militia and in the buying of supplies, and matters of that sort. We must however keep the administrative divisions ready and capable at all times.

Mr. MOTHERWELL: We had all these military districts before the war.

Mr. SUTHERLAND: We had all the military districts as at present except Regina. During the war one was formed at Regina, and one was also formed at St. John.

Mr. MACKENZIE (Vancouver): Are any of the officers who come under this vote used as supervisors of relief camps?

Mr. SUTHERLAND: No.

Mr. McINTOSH: What proportion of this is for Saskatchewan?

Mr. SUTHERLAND: There is a certain amount of it for the headquarters in Saskatchewan. At Regina there is a district officer commanding who is paid out of this vote, the general staff officer and the assistants and the quartermaster general.

Mr. McINTOSH: What is the amount, approximately?

Mr. SUTHERLAND: The amount is $15,476.

An hon. MEMBER: Does this include the non-permanent personnel?

Mr. SUTHERLAND: No.

Mr. SANDERSON: Is there any increase or decrease in the personnel?

Mr. SUTHERLAND: There is practically no increase in the permanent force. We are estimating in another vote, in the permanent force vote, for about thirty or forty less than last year.

Mr. DONNELLY: I want to join with the hon. member for Melville in objecting to this vote. We have a reduction of $170,000 in the money being voted for militia purposes whereas there is a total reduction of over $800,000 in the estimates for agriculture. I object to this vote. I am one of those who cannot see why, in times like these, we should not reduce this vote for military purposes. When you live in a district where the people are living from hand to mouth, where a man is given $9 to buy clothing to last him the whole year—boots and shoes, overshoes, underwear, overalls, socks, and everything else—you can readily realize how absolutely ridiculous a vote of this kind is. It is absurd for us to be voting money for military purposes while being so penurious in the matter of expenditures for the relief of people who are in dire necessity. I wish to register my vote against this whole item.

Mr. POWER: Are any of the officers covered by this vote employed in looking after relief camps?

Mr. SUTHERLAND: No. There are no officers particularly engaged in that. Of course, those in the department may have something to do with it, but they are not in charge of the camps.

Mr. POWER: Some officers of the permanent force have been placed in charge of camps.

Mr. SUTHERLAND: Yes, but not in this administration vote.

Mr. POWER: Are they getting extra pay?

Mr. SUTHERLAND: There is no one in this vote getting extra pay. At Lac Seul a couple of permanent force officers get extra allowance while there—about $90.

Mr. POWER: What about Valcartier?

Mr. SUTHERLAND: I cannot be sure about Valcartier. When we come to that I will have the information.

Mr. McINTOSH: Would the minister give the approximate amounts that will accrue under this vote for each of the three western provinces?

Mr. SUTHERLAND: For Regina I gave the amount, $15,476; for Calgary, $15,731, and for Winnipeg, $17,812.

Mr. MACKENZIE (Vancouver): For Victoria?

Mr. SUTHERLAND: The amount is $14,162.

Item agreed to.

DEPARTMENT OF MARINE

Lighthouse and Coast Service—Amount required to pay compassionate allowance to John Davidson, formerly lightkeeper at Cape Mudge, B.C., $500.

Mr. STEWART (Edmonton): Is it the intention of the minister to begin the estimates of all the departments to-night?

Mr. GUTHRIE: No, I think this is the last one.

Mr. STEWART (Edmonton): There were three mentioned.

Mr. GUTHRIE: This is the third.

Mr. STEWART (Edmonton): It is about the fifth.

Item agreed to.

DEPARTMENT OF FISHERIES

Building fishways and clearing rivers, $6,000.

Mr. STEWART (Edmonton): Is this another department?

Mr. GUTHRIE: This is fisheries.

Mr. STEWART (Edmonton): My hon. friend has brought down two more departments than were agreed on the other day.

Mr. GUTHRIE: Well, if there is any objection—

Mr. STEWART (Edmonton): We certainly object.

Mr. COOTE: I would like to say to the Minister of Justice that if we go into all these departments, the government will be relieved of the necessity of moving for committee of supply on any day other than Thursday and Friday, and he can have committee of supply on Thursdays and Fridays automatically, thus depriving members of the opportunity of bringing before the government any matters which they want to discuss before the end of the session. For that reason I do not think the government should ask us to open any more departments.

Mr. GUTHRIE: Then we shall return to one already introduced.

Item stands.

MINES AND GEOLOGICAL SURVEY

Geological Survey—
For explorations, surveys and investigations, wages of explorers, topographers and others, $83,500.
For publication of English and French editions of reports, maps, illustrations, etc., $65,000.
For maintenance of offices and museum, expenses of special exhibitions pertaining to natural resources, purchase of instruments, chemicals, books of reference, miscellaneous assistance and contingencies, and expenses of the Geographic Board of Canada, $70,202.
For museum equipment, $5,000.
For purchase of specimens, $300—Total, $224,002.

Mr. POWER: There was no mention of our taking up the estimates of the Department of Mines.

Mr. GUTHRIE: Well, we are in it.

Mr. COOTE: Where are the surveys to be carried on this year under the first item:

For exploration, surveys and investigations: wages of explorers, topographers and others.

I am given to understand unofficially that very little work is going on.

Hon. W. A. GORDON (Minister of Mines): It is unfortunate, but the number of survey parties had to be reduced very materially because economies had to be made. The parties for this year's operations and the places where they will go have not yet been finally determined and probably will not be for three weeks or a month. Officials of the department and I have been as careful as we can to see that the parties are so arranged that there will be no interruption in the continuity of the geological survey work. Of course I am hopeful, as I am sure every member is, that the time will not be too long delayed when additional parties over and above those that are now being sent out will go out as times improve. Arrangements for the work of the summer have not yet been perfected.

Mr. MACKENZIE (Vancouver): How have the survey parties been allocated? By provinces?

Mr. GORDON: In the past the parties have been allocated not according to provinces, that is by reason of any demand or pressure from them, but purely to make a continuous projection of geological work. Of course my hon. friend knows that the geological surveys of Canada were started officially in 1842 and have proceeded from that time on, having regard to those areas where it would seem that the projection of geological surveys would result in the greatest good; but they have not been allocated to provinces as such. There is one province, I think, British Columbia, where according to statute these surveys must be carried on. But the arrangement made is: first, to see that the continuity of the geological survey is not disturbed; second, to see that the geological surveys are carried on where they will disclose the best areas for prospecting and so forth, and, third, to arrange with those provinces which have provincial geological surveys so that our work does not overlap theirs. That practice was pursued by the hon. member for West Edmonton and it is a very proper one.

Mr. SANDERSON: There is an increase of $15,000 in the second item:

For publication of English and French editions of reports, maps, illustrations, etc.

Will the minister explain that?

Mr. GORDON: We found that there was a large number of geological reports that for various reasons had not been published at the time the geologists went into the field. Some of them were delayed a considerable length of time. That, together with the necessity for providing for salaries for some staff that had been transferred from the Department of the Interior to the Department of Mines, and who before they were released from the Department of the Interior had been mainly engaged upon work for the Department of Mines, accounts for the increase in that item.

Mr. SANDERSON: Perhaps I did not hear the minister correctly. Are salaries included in this increase of $15,000?

Mr. GORDON: I find I was mistaken in regard to that item. The increase for publications is for the publication of a book known as the Birds of Canada. Let me explain that to hon. members so that we shall not get into a difference of opinion as to the desirability of this publication. Judging from the number of applications we have in the department for this book, from schools and other educational institutions, this money will be repaid in a very short time. I have no doubt that it will cost the country nothing, and it is indeed a very valuable work. The plates are all ready and have been for some time, and I believe it is desirable to proceed with the publication of the work.

Mr. STEWART (Edmonton): As a matter of fact you are always short, are you not, in your estimates for publications? I should imagine it would be worse than ever now owing to the activity of mining.

Mr. GORDON: It is difficult to balance the cost of publications with the revenue received, but we are doing our best to have them balance. This, I believe, is one item that will balance.

Mr. POULIOT: I am very glad to take this opportunity to congratulate the minister upon what he has just said. That publication on birds is very good; it is sold at a reasonable price. It is very commendable for several reasons, and should be widely distributed. It should be used for presentation as prizes in schools.

Has the hon. minister any objection to our taking at the same time item 161 of the same department? Items 161 and 162 are closely related; one is for the mines branch and the other for the geological survey. In vote 162 there is an item for purchase of specimens; if I understand correctly it is for the purchase of specimens of minerals, therefore it would not be out of place to discuss both items together. Would the minister be kind enough to tell the committee whether the last year for which the value of mineral production is available is the year 1932, and if we cannot get now the value of production for the year 1933?

Mr. GORDON: Yes, the hon. member can get from reliable sources, the production of minerals throughout Canada for the year 1933, and I think, even up to the end of last month. While the department may not have those figures, they are available generally to the industry. They are kept pretty well up to date by many publications in Canada and by the department. If the hon. member would like to have a record of the mineral production of Canada up to the end of 1933 I shall be very glad to let him have it.

Mr. POULIOT: I thank the hon. minister. I got some information from the bureau of statistics but it was only for the years 1930, 1931 and 1932. I will ask the minister if the value of production of metals, including gold, and the value of non-ferrous metal products, increased or decreased in 1932 as compared with 1930, and how much.

Mr. GORDON: I have not the figures available at the moment, but if the hon. member has any difficulty in getting them I can either furnish them before the estimates for this department are concluded or give them to him personally.

Mr. POULIOT: I thank the hon. gentleman very much, and as he cannot give it to the committee right now I will give it myself. The decrease in the value of production of metals including gold, and of non-ferrous metal products for 1932 as compared with 1930, is $108,691,098. Why have we a decrease in the value of those minerals? Now that the minister has the figure it will be easy for him to tell the committee. At the same time I will ask what minerals are included in that list.

Mr. GORDON: I do not know what the hon. member is reading from. It may be a speech of the Prime Minister.

Mr. POULIOT: I am reading from page 635 of Hansard.

Mr. GORDON: There are many factors that affect the value of mineral production. One would be the very low prices for copper, lead and zinc. My hon. friend knows that copper, for instance, dropped from 24 cents to less than 4 cents per pound, and while in

lead and zinc the reduction was not so marked yet there was a very great contraction in the price of those metals. Gold, on the other hand, increased in world price. As I said a moment ago, it could scarcely in fairness be anticipated that I would have available on short notice the figures asked for, but I will have them before these estimates are passed.

Mr. POULIOT: I thank the hon. gentleman, and I ask him if he would be kind enough to tell the house if that decrease in value of production means a decrease in labour employed, and if so, how many miners have been put out of work on account of it? That is one question. Then I would ask if the exports of the minerals I have mentioned have been larger in quantity although smaller in value?

Mr. GORDON: I think the hon. gentleman will have to ask the Minister of Trade and Commerce for those figures; or if he would wish that I get them for him I shall be glad to do so.

Mr. POULIOT: Thank you. Now we will take another classification of minerals in the same item:

Value of non-metallic minerals and structural materials production; and value of non-metallic mineral products, except glass.

This is a description which comes from the bureau of statistics; what are the non-metallic minerals and structural materials? If the hon. gentleman would be kind enough to give that information I would be thankful.

Mr. GORDON: It is quite obvious that the figures requested by the hon. gentleman come within the purview of the Department of Trade and Commerce. Of course there are parts of the interrogation that I can answer, with respect to structural material, that is brick, building stone and things of that character, the investigation of which falls within the purview of the Mines department. The marketing of these materials, how much is exported and imported, and the values and so on do not come within the activities of the Mines department.

Mr. POULIOT: I understand that asbestos is included in the non-metallic minerals. The minister has said that these figures come under the Department of Trade and Commerce. I must tell him that I obtained these figures from the bureau of statistics, but they came from the Department of Mines; they were certified by one of the employees who comes directly under the jurisdiction of the hon. gentleman. Therefore I will ask him with regard to the value of non-metallic minerals, structural materials and so on. What was the value of the production of these minerals in 1932 as compared with 1930; is there a decrease or an increase and, if so, why? I see the hon. gentleman is not going to answer.

Mr. GORDON: Oh, yes; I will answer. The statistics the Mines department has concerning the production, the values, the imports and exports of these materials were procured from the bureau of statistics. I cannot follow the hon. member for Témiscouata when he says that the bureau base their figures on certifications from the Mines department. There may be something of which we have some special knowledge but generally, and I think entirely, we rely upon the bureau if we need statistics of that character.

Mr. POULIOT: I thank the hon. gentleman, but I may tell him how I proceed when I want statistics. I do not write to any particular employee of the bureau; I write to the Dominion Statistician who refers my letter to some of his officials. When we ask questions about different departments we receive answers certified by different people. In this instance the report on the value of the mineral production of Canada was certified by a gentleman whose name I have not here but who signed as chief of the mines branch. Perhaps it was the mines branch of the bureau of statistics, but I was induced to believe that he was under the jurisdiction of the hon. gentleman.

At all events we have a Department of Mines. The minister is very genial, but this question of minerals is of the utmost importance to Canada. Here we have the products of the land, of the sea and of the mines, and we cannot neglect any of them. I do not insist on an answer with regard to these figures, but I will put them on Hansard so that each member may draw his own conclusions. In 1932 the value of production of non-metallic minerals and structural materials except glass was $203,599,158. In 1930 the value was $307,710,915, showing a decrease in 1932 of $104,151,757, which means that the people engaged in cutting stone, in quarrying, in the mine shafts and so on have suffered a great loss. I agree that these matters could be discussed under the items of the Department of Trade and Commerce, but they come mainly under the estimates of my hon. friend. The Minister of Trade and Commerce has general supervision over the trade of this country, but these matters are

of particular interest to the house at the present time. In the same way this afternoon we discussed the estimates of the Department of Agriculture.

There is still another item which is of the utmost importance. I refer to the value of glass production, including pressed and blown glass and the bevelling, cutting and so on of plate glass. In 1932 the value of this production was $8,469,895 as compared with $12,191,752 in 1930, or a decrease of $3,721,857. For that small industry such a reduction represents a panic. In the same category we find the value of chemical production; in 1930 this amounted to $119,969,637, while in 1932 it had dropped to $95,279,376, or a decrease of $24,690,261. What about the home market? Prices are falling all the time, and with these figures it is easy to see why so many miners are unemployed.

Another important item is iron and steel and their products; this is a very large Canadian industry. We have the British Empire Steel Corporation in Cape Breton, the Algoma Steel Corporation in Ontario and other large plants, and this is a matter of interest in many provinces. In 1932 the value of this production was $226,205,543, while in 1930 it was $569,745,973, a decrease in 1932 of $343,540,432. The total decrease in the value of the production of the articles I have mentioned is $584,795,205. It is almost inconceivable that mineral production has decreased by over $584,000,000. My hon. friends opposite can check my figures, because they may be found at page 635 of Hansard. I reecived them from the government, either the Department of Mines or the Department of Trade and Commerce, through the bureau of statistics.

Mr. GORDON: Would the hon. member permit a question? Does he refer to primary production or to manufactured articles?

Mr. POULIOT: The information is not detailed. I shall take the liberty of asking the minister to give me some explanation in that connection. I am ready to hear him, if he is kind enough to speak, because I asked about the value of mineral production and I received an answer about the value of iron and steel products. The last line of the information contains this expression, "decrease, $343,540,432." If this figure concerns primary industry, all right, but I wish to know. I do not say it is all right because I am satisfied with it; I am very sorry about it, and I am sure the hon. gentleman himself is very sorry. I should like to know from him if these figures relate to primary products or to manufactured products.

[Mr. Pouliot.]

Mr. GORDON: The items we have under review at the moment have nothing whatever to do with the sale of mineral, precious or otherwise, but have to do, purely, with the scientific investigations of the Mines department, which deal with ore dressing, metallurgy and geological surveys, which are self-explanatory. Although I have no figures, nor has my department the figures to which the hon. member for Temiscouata has addressed himself, I would say that the larger figure would cover the manufactured article. While I do know the hon. member is deeply concerned with the possibility of miners being out of work, the fact is that with the exception of certain places connected with the coal mining industry of Canada, miners are not out of work. In fact, in a number of places it is very difficult to obtain the services of experienced miners who can carry on the work in the rapidly expanding precious metal mining operations of Canada. I can but repeat that it is not the function of the Department of Mines to collect and tabulate the figures to which the hon. gentleman has referred. That is a matter for the Department of Trade and Commerce. I have no doubt those figures could quite easily be determined, and if I can be of any assistance to the hon. member in getting them together I should be very glad to do so. As far as these items are concerned the Department of Mines does not engage in the sale of or advertise for the sale of the minerals, but does try to solve under the first item, the metallurgical problems with which miners are met; under the second item, the projection of geological surveys, in order that they may reach the hands of the prospectors and the mining fraternity generally, and the publication of reports. I am not prepared to go into the figures to which the hon. member has made reference, because they do not come within the compass of the activities of the Department of Mines.

Mr. POULIOT: I thank the hon. member for his courtesy. I shall not insist, therefore, but will take advantage of his generous offer to supply me with more information. I have approached the matter with an open mind, and shall be thankful to him if he is kind enough to assist me in obtaining the desired information.

Mr. FRASER (Cariboo): I should like to ask the minister one or two questions in connection with the vote now before the committee concerning geological surveys, and particularly about those surveys in British Columbia. There may be a general decline in the value of minerals produced throughout

Canada, but I have the honour to represent a district in which there is a very substantial increase in the amount of minerals being produced, and a section in which there is intense activity. In addition to that I wish to remind the minister that by statute the federal government is obliged to take charge of all the geological work there may be in British Columbia. I regret very much that conditions are such that it has been found necessary to reduce this vote, as I consider it one of the most important in the estimates now before us, so far as British Columbia is concerned. I should like to ask the minister if it is not possible to continue the geological surveys in that part of British Columbia particularly where there is intense activity in the search for gold. I refer to the Cariboo and Bridge River areas, both of which are very active and in which a great many people are looking for minerals. Each man seeking minerals needs geological information. The department sent one small party into the Cariboo district last year. I assume their work has been valuable and will be available for miners next summer. I should like to be assured that there will be no suspension of that particular work in the current year.

While I am on my feet I should like to ask if there is any possibility of proceeding with a resurvey of the Nicola coal mines area. I have been asked by the Merritt board of trade to bring this matter to the attention of the minister, and should like to have some assurance from him that the work will be continued.

Mr. CHEVRIER: I notice, with considerable grief, that the first portion of item 162, "for explorations, surveys and investigations, wages of explorers, topographers and others" has been reduced by about $44,000. I am one who believes that at this particular time the natural resources of Canada should be developed to their utmost. I understand, know and appreciate that the government is labouring under difficult conditions, but I should like to know from the minister whether or not there is any possibility of maintaining those wonderful surveys and investigations of explorers which come under his jurisdiction. It has been my great privilege to come into intimate contact with the topographical surveys, the geological surveys, the hydrographic surveys, the aerial surveys and those of the militia department and others. The people connected with this work have carried out most worthily the difficult tasks allotted to them. I take the greatest pleasure in reading the maps produced by these various branches, and from the reading of them I believe I profit more than I would from the reading of an ordinary novel. I want the minister to be impressed with the fact that at this time nothing should be done to curtail in any way the splendid work that these various branches of government activity have been carrying on. I should like to ask the minister why the expenditure under the item has been reduced, and what one may expect in the way of reduction in efficiency of the work of these various branches of surveying activity which, up to the present, has been carried on so efficiently.

Mr. GORDON: Answering the question and observations of the hon. member for Cariboo (Mr. Fraser), it is quite true that under the statutes the Dominion government has certain obligations with respect to carrying on geological work in British Columbia. I am not entirely unacquainted with the mineral industry of this country, and it would not need the impulse of statutory enactment to move me towards doing everything possible to supply what money is necessary in order to advance the interests of that great industry. I had in mind with respect to British Columbia, although it has not been definitely decided upon, as I pointed out a while ago, the placing of parties this summer at Bridge river, Cariboo, Kamloops, North Vancouver island and at Finlay river. That program may be subject to some change when the work of the coming summer is finally decided upon.

With respect to the questions put by the senior member for Ottawa (Mr. Chevrier) I would be the last one to disturb the very efficient staff that has been built up through the years in the geological survey. This reduction in the vote will not in any way interfere with that staff, but rather the parties in the field will be cut down and some of the staff who perhaps have not been engaged in actual field work will be used in that work this summer. That will have to be determined, but I can assure the hon. gentleman that the reduction will not affect the permanent staff here to which he has made reference. The reduction in the number of geological parties I trust will not continue during the years that follow, but confronted as this country is with very serious financial problems I have found a great willingness in the mineral industry, represented as it is by so many men active in carrying on that great work, to have economies made at this time, temporary—it is true, in order to relieve the taxpayer and the treasury to as large an extent as possible. I have had the matter up on a number of occasions with the representatives of the mineral industry, and they seemed to be quite

in accord with the efforts we are putting forward to exercise the greatest possible economy without injuring seriously the efficiency of the geological survey.

Mr. CHEVRIER: Mr. Chairman—

Mr. COOTE: These are false economies, in my opinion—

Mr. CHEVRIER: With the consent of the hon. member for Macleod (Mr. Coote), may I say, Mr. Chairman, that I regret in the discussion of these estimates that everybody gets up and asks a question out of tune and out of time so that it is impossible for an hon. member to get his questions and answers on the record in any intelligible way. I have sat here listening with interest to the discussion, and if my hon. friend from Macleod will allow me sufficient time to ask a question or two I shall be satisfied to sit down. I think it would help if hon. members would follow that practice for the sake of the record.

I wanted to ask the minister a question with regard to the next item, No. 162, for the publication of French and English editions of the reports, maps and illustrations. I notice that there is an increase of $15,000 in this item. Does that mean that there will be an increased publication in French? I gathered that the minister said a few moments ago that there was an increase in certain items because of certain publications. If the minister will increase items of this kind by fifty or sixty or seventy thousand dollars I shall have no objection to voting the money, provided that such publications as the one I hold in my hand, Les Oiseaux de l'est du Canada—The Birds of Eastern Canada—by Doctor Taverner, be translated into French and distributed. I think that such reports and a report on the birds of western Canada should be translated into French, as well as various reports on the geological deposits in Canada, and if that were done I should have no objection to voting a larger amount than this, provided that the minister give us the assurance that the reports from the Mines branch will be put out to the public in French within a reasonable time. I know that the French calls for two operations and the English only one, but if the reports were published more nearly concurrently in French and English, I should be glad to vote any amount of money. It has been my privilege to see and to appreciate the work of the translation into French of some of the technical reports from the Mines branch, and I mention the Mines branch at this moment because only the estimates of that branch are under consideration at the moment. I have in mind some reports of 250 and 350 pages, for instance, the report on the Rouyn district, which has been translated into French. It is astonishing to me that these reports are not more widely distributed amongst the colleges, universities and institutions of learning in Canada. I think the government, and I have said this on a number of other occasions, should take steps to see that these technical publications, on which such a tremendous amount of money is spent, and properly spent, are put into the hands of the proper educational institutions. I have in mind, if I am in order in mentioning it, a pamphlet published by the Department of Agriculture last year on beef and its uses, and the ways of cutting it. I distributed over six hundred copies of that pamphlet in the educational institutions of this city. We pay a tremendous amount of money for the compilation of these reports and a tremendous amount of money for their translation, and then unfortunately there is no activity shown in distributing them so that they may serve the purpose for which they are prepared. I have no hesitation in approving of this increase of $15,000 if the minister will say that it will mean an easier distribution of the publications in English and French of the editions of reports, maps, illustrations and so on, and that something will be done with a view to further distributing these educational reports among our institutions of learning.

Mr. GORDON: I do not think that anyone will disagree with the observations that have been made by the senior member for Ottawa. This increase will take care of that work, covering the birds of both eastern and western Canada, and will also take care of an appropriate number of reports in the French language. In the department there has been built up, over a great number of years, a mailing list that covers universities, colleges and libraries of all kinds, and reports that would seem to be suitable to these institutions are mailed to them. With respect to the publication of reports in the French language, that is now being done, not in its entirety it is true, because there are many reports in which, as I think the hon. member for Ottawa will agree on reflection, very few people in the province of Quebec would be interested; but those reports generally in which, in the opinion of the officers of the department and of myself, the people in that province, or in other French speaking parts of Canada, would be interested, are published in French. Take for instance the expansion in northeastern Quebec; the reports in that connection are printed in both English and French. I do not

think however that the interest which would be taken in the province of Quebec in some other reports would really justify their publication in French. Certainly reports are now and have been for some time published in the French language, wherever, in the opinion of the department, they would usefully serve French speaking Canada. That practice, I think, is a proper one.

Mr. COOTE: I understand the minister to say, replying to the hon. member for Cariboo, that the first item here for geological explorations, surveys and investigations had been reduced by $44,000 because it was the desire of the government to effect economy. But the previous vote which the committee passed, for administration under national defence, was reduced by one per cent whereas, in this geological surveys vote, the reduction of $44,000 is equivalent to a 35 per cent cut, as compared with the amount voted last year.

I suggest that this is the wrong place to practice economy. It is false economy, at a time like this, to cut down the amount spent on geological surveys. The object of these survey parties is to explore new areas particularly for the purpose of discovering any minerals that exist therein, and I believe that this offers at the present time some hope for employment in new industries. I think we should encourage the opening up of new mineral areas in Canada.

I would express my appreciation of the service I have received from the geological surveys branch on different occasions; but this year when I inquired for certain maps of districts in the northwest territories I was informed that no surveys had yet been made of some of those districts. I think the government might very well increase rather than decrease the vote for surveys, particularly in that territory. Some new gold fields might be found, and the production of gold in Canada would help us to discharge the foreign debt which worries us so much.

Will the minister tell me how this vote of $83,000 compares with the same vote for the last four or five years? Is not this a steady cutting-down of the amount spent on geological surveys, and after all is it not false economy? In what better way could the government spend money now than in opening up new mineral areas in Canada? Are there not districts in the Northwest Territories, where metals are now being discovered, in which the department has not yet made regular surveys and issued maps of the districts?

Mr. GUTHRIE: Mr. Chairman, in order to carry out the arrangement made on Friday night, I move that the committee rise, report progress and ask leave to sit again.

Progress reported.

BUREAU FOR TRANSLATIONS

The house resumed from Friday, March 2, consideration of the motion of Mr. Cahan for the second reading of Bill No. 4, respecting the bureau for translations and the proposed amendment thereto of Mr. Chevrier.

Mr. HERMAS DESLAURIERS (St. Mary's) (Translation): Mr. Speaker, this measure known as the "Bureau for Translations Act" is submitted for our consideration, under the plea of economy and efficiency. The speeches, however, to which we have listened, proved that economy and efficiency were not at stake in this bill. Experience has shown that this system had been tried in other countries and found wanting.

I shall not, this evening, attempt to repeat the arguments presented to the house against this bill. I shall discuss another aspect of the question. Relying on my experience as a parliamentarian of long standing, may I state that it is an easy matter for me to observe, at present, that all conservative regimes when they apprehend that their end is near, always resort, before going out of office, to a reorganization scheme of this nature. Is it, this year as in the past, a sign of approaching elections? We expect so. Once, in the past, it was the civil service reorganization. As ever, with economy and efficiency of the service as their aim, the Civil Service Commission sprung up. This institution, as all know, is a great drag on the country and its mechanism has had an entire different result from the one expected. I had often the occasion of expressing my views on this institution and its effects. I shall, this evening, summarize my thoughts in this respect by stating again that it is an institution in which political influence, by indirect means, has its elbow-room and, in which the staff is recruited mostly on the grounds of friendship, relationship and sometimes loveship. Owing to this institution, the representatives of the people have seen their prerogatives decrease and have been so checked that they can hardly be of service to those that have given them a mandate.

I am aware, and I have heard it stated, recently, in the house, that the question of patronage is held in horror by certain members. They prefer not to be pestered by

people who seek privileges, positions or a service. However, after all, I think it is incumbent on a member, owing to his mandate, to look after legitimate requests and claims of those who have entrusted him with this mandate. And the fact of replying that what they request is entirely out of his hands, that it is within the purview of an independent institution, which has the authority over their request or desire, cannot possibly satisfy those interested. The representative who wishes to fulfil his duty, in my opinion, can not be satisfied with the part he plays.

Later on, always on the eve of an election, we had the Young classification, which had very little results; then came the Griffenhagen reorganization. If we question, always from an efficient and economic viewpoint, the people, especially the French Canadians of Ottawa, we find that the latter always lost many of their rights.

Now, so far as efficiency, after these thorough reorganizations, it certainly has not improved since the hon. member for Labelle (Mr. Bourassa), discovered in the course of his numerous travels, stacks of French publications valued at hundreds of thousands of dollars which were not distributed. It is admitted that the only and unique reason was that these bundles of publications were out of date, issued at a time when no one required them, because the English version had been issued long before, and, therefore, the French version had become useless. Consequently, no efficiency resulted from such an organization, and we have every reason to believe that such a departure, this year, will have the same result.

Mr. BARRETTE (Translation): Are you censuring the hon. member for Labelle?

Mr. DESLAURIERS (Translation): If the hon. member will kindly let me proceed, he will be in a position to know whether I am censuring him or not.

The hon. member for Labelle is supporting the measure. He quotes figures which are not official but confidential, and he endeavours to prove that the translators do not earn their salaries, besides being the cause of all the evil inherent to the questions relating to French in our parliament.

May I, sir, express a totally opposite view. First, the figures he quoted are not official, therefore they are difficult to contradict since they are confidential. On the other hand, we are obliged to take them for what they are worth. They are not official, since the hon. Secretary of State stated, replying to a question put by the hon. member for Hochelaga (Mr. St. Père) that these figures were not issued by his department or by himself, directly or indirectly. The following are the figures quoted by the hon. member for Labelle. I think we must take the word of the hon. Secretary of State in his reply to the hon. member for Hochelaga. First, if he had in his department translators unemployed, he would certainly be aware of it. If there were work to be done in his department, as one who attends to his duties, as we all know, he would certainly have given out the work to these unemployed officials. We are aware, on both sides of the house, that the hon. Secretary of State has certain work of his department done by outsiders. If there were translators unemployed in his department he would, first, utilize them instead of giving out the work.

In quoting these confidential figures, the hon. member for Labelle stated that in the Department of Agriculture seven translators, in the course of a year, had translated but 568 pages each; in the Immigration department, two translators had only translated, in the same period, 46 pages each; in the Public Works department, three translators had only translated 108 pages; in the Mines department, three other translators 148, and in the Trade and Commerce, four translators 1,719. Dealing with the unreliability—may I say—of the figures quoted by the hon. member for Labelle—because it is inconceivable that a man, in the course of a year's work, succeeded, without dying of languor, in translating only 46 pages—dealing with the unlikelihood of such figures, I took the pains to obtain a confidential, not official list, of the departments of Agriculture, Immigration, Public Works, Mines and Trade and Commerce, and what is very strange, the information obtained greatly differs from that of the hon. member for Labelle. For instance, in the Agriculture department, seven translators translated 742 pages, each; in the Immigration, instead of 46 pages, the two translators had to their credit 568 pages and, in the Public Works department, three translators, 715 pages. In the Mines department, where the work is exceedingly difficult owing to the technical subjects, the three translators translated 572 pages. In the Trade and Commerce department, instead of 1,700 and a few pages, there were 1,425 pages of similar schedule work.

Seeing that our figures differ entirely, it would be interesting to have the hon. Secretary of State appoint a committee of members, so that those interested could give evidence as to the amount of work they have accomplished during the period mentioned, and, thereby discover whether in the figures they quote the hon. member for Labelle is

nearer to the truth than the hon. member for St. Mary's. This procedure would entail no delay and permit the house to give, perhaps, a more intelligent vote on this bill. Another important point, as the interested parties have not been heard, this committee would afford them an opportunity—which would be highly appreciated—of defending themselves against those who insult them and proving their gratitude to those who wish to do them justice.

According to the statement of the hon. member for Labelle, the stenographers of the House of Commons should be placed in the same class.

One must have very little knowledge of what takes place in the house to make such a statement. Both sides of the house are aware that to find a qualified French stenographer, the Civil Service Commission held a number of tests and that all of them, without exception proved a failure, owing to the difficulty of obtaining qualified men. I may even state that a number of official court stenographers, those who take down court evidence, have failed when put to the test, here. Disheartened, after a few days of trial, they were forced to return home and take up their work in the courts, where their remuneration is higher than that received at present, by the Hansard stenographers of the house. Yet, we heard an hon. member state in the house that the government is at liberty to dictate whatever terms they please to stenographers of the house. I state that if the Civil Service Commission, after a number of tests, were unable to find one qualified person, the government is not at liberty to dictate whatever terms they please to these officials.

Mr. BOUCHARD (Translation): Hear, hear!

Mr. DESLAURIERS (Translation): Now, sir, may I somewhat discuss the question of the translators of the House of Commons, with whom I have the pleasure of being better acquainted than with the others. I had, personally, the opportunity on numerous occasions, since I am in parliament, to see them at their work, translating technical subjects which I had brought up in the house, such, for instances, electrifying our railways, occupational or trade disability, tuberculous cattle, the question of fruit and vegetable sprinkling, and the regulations which govern this trade abroad. All these subjects embody numerous formulas of industrial, organic and inorganic chemistry, etc., and I am able to state to the house that their work, in so difficult a field, which obliged them at times not only to show much patience, but also to make researches devoid of any interest, was perfect, and I wish to bear witness of my appreciation.

Mr. BOUCHARD (Translation): Hear, hear!

Mr. DESLAURIERS (Translation): May I, sir, in support of my contention, borrow one of the arguments of the hon. member for Labelle. This may seem somewhat paradoxical since he made use of it to prove quite the opposite. The argument of the hon. member for Labelle is as follows: He was obliged, at times, to pause two hours in searching for the exact term which would express his thought. I am willing to believe him, although I confess that it must have been an extraordinary thought, for, in the natural course of events,

> Ce que l'on conçoit bien s'énonce clairement,
> Et les mots pour le dire arrivent aisément.

At all events, if it took him two hours to translate his thought, what merit must the translators of the house have when they must translate the thoughts of others, which is much more difficult! What merit must these men have? That is why I think that his argument may be retorted. If it be so deserving of praise to be a translator, why then criticize the translators, especially those of the House of Commons.

Mr. BARRETTE (Translation): When the thought is not there, it cannot be translated!

Mr. DESLAURIERS (Translation): Perhaps, I admit.

I have been, sir, a general practitioner for thirty years—and when called upon between sessions, I still carry on—and I have had the opportunity of treating, among my clients, workers in various occupations; industrial workers, printers and hand labourers. In my career as a medical man, I observed that although they are all workers, there are, among them, people who are entitled, in all fairness, to higher salaries than those of their neighbour. To illustrate somewhat my argument, may I take, for instance, the printer who constantly comes in contact with antimony salts and who is compelled to retire at 45 years old; because his sight is defective. This man whose eyesight is affected at such an early age is entitled to a higher salary than the one who can earn a livelihood up to 60 or 70 years old. The same applies to polishers of copper and various metals. I now come, sir, to the brain worker who is obliged to accomplish his work at continuous high tension. It is unfair to wish to relegate him with his colleagues in offices so as to exact from him, during 12 months, mercenary work,

with a decreased salary. I entirely disagree with such views. We have witnessed in our educational institutions, in our colleges and universities, students whose health has been ruined by over work, men hardly having reached ripe age, become sometimes the victims of this brain overwork. I think there is, at present, legislation being enacted which will force a class of workers, who are worthy of all our sympathy and who certainly earn their salaries to adopt this manner of living. We have no right to enforce such legislation.

I intend to vote against this measure, because, in my opinion, economy no more than efficiency are at stake. I am rather inclined to think that it is a sign of an approaching election, that the present administration, already on its last leg, wish to erect themselves a small monument to remind us of its regime, in case they were refused a return ticket at the next election.

Mr. BARRETTE (Translation): It must then be a popular measure?

Mr. BOUCHARD (Translation): This has no resemblance whatever to a measure.

Mr. DESLAURIERS (Translation): Previous to closing my remarks, sir, may I quote an excerpt from the speech of the hon. member for Labelle, who I have always had in esteem and still have:

> I ask the hon. member for Ottawa, but in particular the hon. members for the city of Montreal. When this measure is explained to their constituents, what figure will they cut? When their constituents are starving, fathers have no bread to give to their family, will they boast of having voted in the house to allow fifteen gentlemen, some of them bachelors, to earn $4,000, in five or six months, so that they may rest seven months? They will soon find out what French Canadians think of this so-called claim of race rights.

I have never thought for a moment that the French Canadian race was in jeopardy owing to this bill; it is perhaps entangled, as in the past, in various classifications and reorganizations, that is possible, but it is not in jeopardy. If such had been the case, it would have happened before now; more than ever French Canadian cooperation must act in concert with that of the English Canadians to attain success and prosperity.

Since the hon. member for Labelle delivered his speech, like similar literature, it has travelled around. I communicated with my own constituents so as to find out their views on the matter, but more especially, to find out whether my life was threatened. I can state to the house that my constituents are in no way upset over the brilliant speech delivered by my hon. friend on this question. This is in a few words what they think: It would be more appropriate for him to utilize his great gift to solve more serious problems which are of more interest to us, such as whether profiteers will be allowed to sell us coal at $18 or $20 per ton, when the thermometer registers 35° below zero, when direct assistance is insufficient, forcing us to cut down the rations of our wife and children and barely saving them from freezing.

The milk and bread trusts are especially making my people uneasy. They wonder whether the government through its Federal Relief Act is not able to find means to raise their morale. They wonder whether there are in the house orators who can shake the walls with the echo of their voice so as to force the government to adopt means to sustain life and afford them a livelihood, especially at present, and the possibility of having on May 1st—

Mr. BARRETTE (Translation): Then, you contend that the hon. member for Labelle has not carried out his duty?

Mr. DESLAURIERS (Translation): I would request the hon. member to speak in his turn.

The people of St. Mary's wish to know whether, on May 1st, they will be among the 50,000 heads of families having no other lodgings—because the city of Montreal or governments will not have paid the rent due to the landlords—having no other lodgings than the stars above.

Mr. BARRETTE (Translation): There is no mention of this in the bill.

Mr. BOUCHARD (Translation): Take things easily, now.

Mr. BARRETTE (Translation): It is the hon. member who is out of sorts.

Mr. DESLAURIERS (Translation): Mr. Speaker, there still remains to find out whether we are going to uphold the French and English races in this country—

Mr. BARRETTE (Translation): The race will survive, have no fear.

Mr. DESLAURIERS (Translation): — whether we shall promote peace and give them a livelihood and especially, protect them against profiteers. That is what I intend to do, at the opportune time.

Hon. MAURICE DUPRE (Solicitor General): Mr. Speaker, before entering into a discussion of the question, it is needless for me to remind anyone in the house and, I

might even say, anyone in Canada of the fruitful and extensive public activities of my colleague the Secretary of State (Mr. Cahan), by whom the present bill was so ably explained last week. In the eyes of Canada, and especially French Canada, he stands out as a brilliant statesman, broadminded by nature and culture, actuated by a deep sense of responsibility and patriotism, and always taking, in matters of language and religion, the highest plane of justice, freedom, fair-play and tolerance, with a chivalrous leaning towards the weaker party, coupled with a keen fighting instinct. He has many times and for many years upheld the Quebec claim with his convincing eloquence and his extensive constitutional experience. And such a fight he has carried even to the point of personal sacrifice. Speaking for myself and my Quebec colleagues on this side of the house I wish to express to the hon. Secretary of State how deeply we all appreciate the fine and powerful support we have received from him in the past. It was an especially gratifying tribute to him and to the spirit of his bill that even such a brilliant and eminent personality as the distinguished member for Labelle (Mr. Bourassa) could not help supporting and praising the present measure in most emphatic and vigorous terms.

Now Mr. Speaker, I should like to discuss in French the present bill from the two points of view involved, the constitutional aspect and the technical point of view.

(Translation) I wonder, sir, whether the opposition which is unlatched against the bill—

Mr. BARRETTE (Translation): Is genuine.

Mr. DUPRE (Translation): —is not entirely due to a simple misunderstanding. May I be permitted, sir, to review as briefly as possible the status of French, at present. First, we have section 133 of the B. N. A. Act which provides for the optional and compulsory use of the French and English languages. Section 133 reads as follows:

> Either the English or the French language may be used by any person in the debates of the houses of the parliament of Canada and of the houses of the legislature of Quebec; and both those languages shall be used in the respective records and journals of those houses; and in any pleading or process in or issuing from any court of Canada established under this act, and in or from all or any of the courts of Quebec.
>
> The acts of the parliament of Canada and of the legislature of Quebec shall be printed and published in both those languages.

To summarize, section 133 of the B. N. A. Act, provides, first, the optional use of either French or English in the parliamentary debates of the two Chambers and before the Supreme Court of Canada and the various Quebec courts; secondly, the compulsory use of the two languages in the parliamentary journals and reports of both Chambers, respectively, in the publications of the archives and proceedings and in the printing and promulgation of the acts of Parliament.

This section 133, and section 93 of the same act, which grant to provincial legislatures the exclusive right to legislate in matters of education, constitute according to the statement of the distinguished Senator Belcourt, whose memory is imperishable, the total aggregate of our legal rights to the French language, officially recognized, in Canada. May I, sir, further include sections 47 and 72 of the rules and regulations of the House of Commons, which read as follows:

> When a motion is seconded, it shall be read in English and in French by Mr. Speaker, if he be familiar with both languages; if not, Mr. Speaker shall read the motion in one language and direct the clerk at the table to read it in the other, before debate.

Section 72 provides:

> All bills shall be printed before the second reading in the English and French languages.

Let us now, sir, examine section 3 of the act and see if this section 3 does not add to the total aggregate of our rights. Section 3 of bill No. 4 reads as follows:

> 3. (1) There shall be a bureau under the minister, to be called the Bureau for Translations, the duties and function of which shall be to collaborate with and act for all departments of the public service, and both houses of the parliament of Canada and all bureaus, branches, commissions and agencies created or appointed by act of parliament, or by order of the governor in council, in making and revising all translations from one language into another of all departmental and other reports, documents, debates, bills, acts, proceedings and correspondence.

As the hon. member for Labelle so well pointed out in his splendid speech, the English version says:

> It shall be the duty . . .
>
> (2) It shall be the duty of all departments of the public service and all such branches, commissions and agencies as aforesaid to collaborate with the bureau in carrying into effect the provisions of this act and the regulations made thereunder.

Which means, if I am not mistaken, that, according to section 3, first, the bureau shall translate all documents—

Mr. BOUCHARD (Translation): No, all the documents that it is requested to translate.

Mr. DUPRE (Translation) —debates, bills, acts, proceedings, correspondence and administration reports and, secondly, the departments shall collaborate with the bureau to facilitate its efficient and speedy translation. The branches, agencies and commissions appointed by parliament or by order of the governor in council shall be likewise, that is, shall collaborate, just like the departments.

Mr. FERLAND (Translation): Will the hon. minister permit me to put a question?

Mr. DUPRE (Translation): Yes.

Mr. FERLAND (Translation): Am I to understand from the minister's remarks that certain official reports such as that of the superintendent of insurance, which are published only in the English language for a number of years past, shall, in the future, be translated in all departments, in the French language, whatever may be the nature of the official reports? In other words, will section 3 of bill No. 4 bind the government to have all official reports and documents, whatever may be their nature, translated by the Bureau for translations?

Mr. DUPRE (Translation): My reply will not be unintelligible. My answer is: Yes. That is bill No. 4 applies the provisions of section 133 to all departments and branches of the public service. The subsection 2 applies these provisions to all branches, commissions and governmental agencies; in other words this section 3 spreads the application of section 133 to all reports of the administration, and others, such as documents, debates, bills, proceedings, correspondence, whether they should emanate from the superintendent of insurance or otherwise.

Mr. GAGNON (Translation): Hear, hear!

Mr. DUPRE (Translation): May I be permitted, sir, to summarize from a legal angle, by submitting the following argument: Briefly, bill No. 4 completes section 133; it implements the spirit in which section 133 shall be construed or, if you wish, it is the recognition, in legal form, of what section 133 intimates but does not express. Section 3 of bill No. 4 confirms in a federal statute the interpretation that we, from Quebec, have given to the spirit of section 133 of the B. N. A. Act. In my opinion it is a step forward in the laying of our claims and is this not, sir, the most essential aspect of the question? I suggest to all who have protested against this bill to peruse those sections. First, section 133; secondly, sections 47 and 72 of the Rules and Regulations of the House, and finally, bill No. 4, and compare them, that is all I ask of them; all I ask the French Canadian press, is to publish this section 133, sections 47 and 72 of the Rules and Regulations of the House and bill No. 4.

[Mr. Bouchard.]

My hon. friend, the member for Nicolet (Mr. Dubois), in his noteworthy speech delivered on March 2, 1934, put a question to the hon. Secretary of State. At page 1116 of Hansard, he said:

> If the hon. Secretary of State would publicly state that it is a greater guarantee for the French language, I could be more lenient towards the measure under consideration.

Mr. BOUCHARD (Translation): Hear, hear!

Mr. DUPRE (Translation): Well! Before the hon. Secretary of State replies to this question, I answer: yes, it is an additional guarantee.

Mr. DUBOIS (Translation): My request was that the hon. Secretary of State should do so himself.

Mr. DUPRE (Translation): The hon. member for Ottawa (Mr. Chevrier), at page 993 of Hansard, stated that this bill could be abrogated as easily as it is enacted. True. That applies to all measures enacted by parliament. To my mind, it is a strange argument. Conclusion, let us not enact any measure, let us not even vote for a bill if it implies a step forward in favour of the rights of the French language because it might be abrogated next year or in a few years!

May I now, sir, broach the technical viewpoint of the question. What are the advantages to be derived from bill No. 4?

In my opinion, the advantages to be derived from this bill will be to secure the simultaneous publication of the French and English versions of all documents. That is what we have requested for many years and that is what we shall actually realize. For instance, this year, only 12 French reports compared to 29 English reports are at the disposal of the house, and in previous years the situation was worse. With the new organization which the bill suggests, these reports will be issued simultaneously in French and English. I have here a list, somewhat long, but which I shall curtail, of the various annual reports which are to be found in the report of the King's Printer. First, we find that the annual report of the Pensions and National Health department for the year 1928-29, was issued in English in February, 1930, and in French in July, 1931, namely, a delay of 17 months.

Mr. ST-PERE (Translation): Are the translators to blame?

Mr. DUPRE (Translation): We find that the report of the Secretary of State for the year 1929-30, was issued in English in March, 1931, and in French in January, 1932, namely, a delay of 10 months.

An hon. MEMBER (Translation): Who is to blame?

Mr. ST-PERE (Translation): Was the English version handed over immediately to the translators?

Mr. DUPRE (Translation): The report of the Labour department for 1929-30, was issued in English in March, 1931, and in French in March, 1932, namely, a delay of 12 months, and so forth. I have here a list of 15 reports the French version of which was only issued long after the English one, and the delay varies from 17 months to 12, 9, 7 and 6 months.

Mr. BEAUBIEN (Translation): Who is to blame?

Mr. DURANLEAU (Translation): Your system.

Mr. DUPRE (Translation): Such are the conditions we wish to remedy.

The second advantage we find in this measure, is that it defines and specifies the responsibility in connection with the translation. With the present system, this responsibility is vague and undetermined. Sometimes no one knows who is responsible for the delay. In the future, one minister alone will be held responsible for the translation and, if delays occur in the translation or if it is not satisfactory, he will equally be held responsible and must account for same.

Mr. BARRETTE (Translation): Hear, hear!

Mr. DUBOIS (Translation): While the other ministers will wash their hands of the whole affair!

Mr. DUPRE (Translation): It is unfair to blame the government unless the latter is given full authority to act. This authority, in the future, will devolve on the Secretary of State or any other minister of the crown who may from time to time be appointed by order of the governor in council, pursuant to paragraph 2, section 3.

Third advantage: this measure will improve the translation.

It is quite clear that in translation as in other work, specialization gives better results. This bill will in no way hamper specialization. It shall be the duty of the superintendent to see that translations are done by the most qualified translators, according to their fitness and training. His duty will be to encourage specialists.

Mr. BARRETTE (Translation): Hear, hear!

Mr. DUPRE (Translation): Fourth advantage: a better distribution of work.

Is it fair and rational that a number of translators should be overtaxed with work while others are unemployed for months?

Reports, such as those of the imperial conference or interprovincial conference, must be speedily and well translated. However, as such reports are not published by any department, no department is therefore responsible for their translation or publication. Thanks to the bureau created by the present bill, these reports will be translated and issued simultaneously.

May I, sir, refute certain objections raised against this measure?

It was stated that this bill will destroy the bilingual character of every department. The report of the Sellar commission was even quoted. The Sellar commission, if I be not mistaken, settles this question.

The reports states:

> From the information before the committee, the general consensus of opinion in the departments is in favour of the statu quo.

Which means that the deputy ministers prefer keeping their translators in their departments. We have no desire by this bill, and nothing to the contrary is stated, to deprive the various departments of translators who are already there doing their daily task. These translators will remain in the departments if the latter wish to keep them. Far from wishing to destroy the bilingual character of departments, the present Act increases it, even totally and definitely so, by translating not only the reports which departments table in the house but also, pursuant to the letter of the law, all reports of the administration and others, all documents, proceedings and correspondence.

By what distortion can it be said that the new act places the French language on the same level as foreign languages? I fail to see. All are aware, it goes without saying, that no foreign language is recognized by our constitution. The only two official languages are French and English, and the former is given, by the new act, rights which implement its status and extends its sphere to all official papers of the administration.

Mr. BARRETTE (Translation): Hear, hear!

Mr. LARUE (Translation): Hear, hear!

Mr. DUPRE (Translation): Now, sir, the opposition made use of the word "centralization". What the bill really proposes is not so much centralization as unifying, coordinating supervising and controlling translation.

The criticism implying that the translation of technical matter will not be done by experts in the subjects, is not, in my opinion, well founded, because it is our desire that translators who have specialized in certain subjects should continue to devote to them their special care.

Translation work is not generally conducive to promotion in a sphere other than the translation service, and the chances of promotion referred to in certain speeches will certainly be as numerous in the bureau for translations as they are at present.

Mr. BARRETTE (Translation): That is good news.

Mr. DUPRE (Translation): I acknowledge, however, that the case of the translators of debates, the conditions under which they work during the session, differ from other public employees and must be given special consideration when the organization of the bureau for translation takes place.

Mr. LARUE (Translation): Hear, hear!

Mr. DUPRE (Translation): It is contended, in this respect, that the new act does not follow the practice of other bilingual countries. First, we must admit: we are masters in our own house; I admit the Frechette report, to which my hon. friends opposite referred, is a well put together report; on the other hand, it is twenty years old. Much technical progress has been made since that date. After all, as to the principle, the present act conforms with the Frechette report by acknowledging the advantage to be derived from specializing. However, where it is superior, is in seeking to combine the benefits of specialization with those of centralization. Far from being a hindrance to specialization, this bill aims at completing and perfecting it by giving it all the advantages of a sole and central supervision.

My hon. friend the member for Nicolet (Mr. Dubois) stated, in his speech of March 2, that the house had enough serious questions to settle without bringing up such a burning question. Why burning? Why burning, sir? Because of a well intentioned opposition, if you wish, but not sufficiently informed. We shall settle this burning question in favour of the rights of the French language. For years we have heard complaints about the deficiency in translation, and when we propose a remedy, we are told: Keep out, it is a burning question!

I summarize, sir. Here is a measure which in the opinion of the government, in the opinion of the Secretary of State, aims at placing French on a sounder—

Mr. DUPUIS (Translation): To win elections.

Mr. DUPRE (Translation): —more satisfactory foundation than it has ever been since confederation. Here is measure that emphasizes more so sec. 133, and completes it; which, as I stated a moment ago, implements the spirit in which must be interpreted sec. 133; which is a recognition, in a legal form, of what sec. 133 intimates, but does not state, which implements in an act and the abrogation of which will be found difficult, the interpretation, we, from the province of Quebec, have given to the spirit of sec. 133. Yet, we have to carry on the fight against whom? Against our own compatriots of the French language.

Mr. LARUE (Translation): Shame!

Mr. DUPRE (Translation): Mr. Speaker, such is life, such is politics! One must not take offence or lose one's temper. We shall pursue our task, in spite of taunts; however, putting to account whatever beneficial may be found in the criticism and suggestions. We shall endeavour to attain the aim we have been following for ever so long, but more especially since we are in office, since 1930, namely, the complete recognition of the rights of the French language pursuant to the spirit of our constitution and in keeping with the spirit which inspired the discussion and negotiations of the confederation pact, in keeping with our history, traditions, the written and unwritten law; recognition of the French language rights—

Mr. FAFARD (Translation): Also of the Imperial conference.

Mr. DUPRE (Translation): —of its status in parliament, in departments and all fields of Canadian activities.

I appeal to my compatriots, to the French Canadian press, to trust in us. Surely the French language's rights are not—as it was stated at the outset of the opposition in danger through this bill. Within a few months our opponents, such as the Droit and other newspapers—as I cannot cast any doubt on their good intentions—will recognize that they were somewhat led astray.

You must make a distinction between the accessory and the principal. Here, sir, the principal is the additional guarantee given to the French language and the sanction of rights unceasingly claimed during many years. The accessory is how, when, and by whom translations will be carried out.

I shall close my remarks by an appeal to my compatriots on the other side of the house and to the French Canadian press. I say to them: if my reasoning is wrong, keep on the fight. But if I am right I beg of them, on behalf of the cause which is dear to us, to cease firing on their own troops.

Mr. ARTHUR DENIS (St. Denis) (Translation): Mr. Speaker, I closely followed the speech delivered by the hon. Solicitor General (Mr. Dupré). His statement displayed much enthusiasm and, I think, sincerity, however, as he is only one in the cabinet, I am afraid that his influence and patriotism will make no change whatever in the methods prevailing since confederation, in the the various departments in connection with translation. I do not intend to discuss his statement or the purport of section 133 of the British North America Act, from a legal angle. The spirit of this act exists since confederation, and if, in the past, translation has been delayed in the various departments, it is due to the negligence and antipathy of certain deputy ministers, not to say of ministers themselves, in transmitting immediately to translators the reports to be translated.

Mr. BOUCHARD (Translation): Hear, hear!

Mr. DENIS (Translation): I do not think that this bill will in any way change the mentality existing in the various departments, and force the deputy ministers, as well as the ministers, to transmit the reports sooner to this bureau for translations. This bill was submitted to the house, in my opinion, at a time when our efforts are required to obtain unity, collaboration and union of the two great races in this country; I, therefore, think that to obtain such results this bill should have been postponed a few years more. We need cooperation and unity, if we are to judge from the views expressed by French Canadian public societies of Quebec, which we must admit, must be able to understand the purpose of an act. It is not because we have heard in this house French Canadian members argue in favour of this bill that we must conclude that it is to the advantage of the French Canadian race.

The hon. Solicitor General, so as not to differ in opinion with his colleagues, was forced to make the statement he did. As to the views of the hon. member for Labelle (Mr. Bourassa), I think, he is out of date. He dislikes to mingle with the crowds and rather seeks small parties so as to better shine.

This bill will not improve the translation of the various departments. All depends on the good intentions of ministers and deputy ministers and the standing in which the French language is held by each department. If delays have occurred in the past, they will, I think, perhaps, occur still more in the future, because reports will have to be transmitted from departments where they have been prepared and then sent to the bureau.

I was amazed to see such a bill introduced in the house. The improvement suggested by the hon. Solicitor General could have been carried out in each department without upsetting the whole system and preventing a large number of French Canadians, in various departments, from profiting of the promotions due to them on account of their efficient services.

So far as efficiency, I do not think that a translator placed under one minister, in particular, and centralized can possibly make a more efficient and perfect translation. I think that is fooling oneself and endeavouring to make the people believe that this bill was introduced with the idea of improving translation and affording to the French Canadians a greater protection and fair play. A number of French Canadian members opposite rely on the word of the Secretary of State and on the bill itself; however, we of the opposition have a better knowledge of what took place in the past, in the departments as regards translations, and we are aware that, in the future, even with the centralization of translators, the same thing will happen. Our rights and our language in parliament and the departments have been respected because we have insisted, fought for them. Thanks to such means we were able to obtain some satisfaction as to the respect due to our rights.

More than ever, the majority in this country, must make it a duty to respect the rights which the French Canadians were given under the constitution.

Because of this respect of our rights, we must have unity of action in the administration of this country, without which, we are all destined to perish. We must live as brothers, but in order to obtain that end, we must respect our mutual rights. By this bill, the centralization of translators, one replaces an evil by another; that is all. One

wishes to centralize the translators, place them under one roof, not so much for efficiency sake in translation or economy, but so as to decrease, in various departments, French prestige. And it is for such reasons, that I most strenuously oppose the bill. I expect the majority to respect the rights of the French Canadian minority and leave things as they are. I trust that the French language will be more respected in the future and that the translation of all governmental reports will be speeded up.

Mr. PAUL MERCIER (St. Henri) (Translation): Mr. Speaker, I have followed with much interest the speeches delivered, on both sides of the house, on the second reading of bill No. 4, introduced by the hon. Secretary of State (Mr. Cahan). From the viewpoint of the French language, numerous arguments have been set forth, and I think we all agree on the subject. The hon. Solicitor general (Mr. Dupré), if I am not mistaken, endeavoured to prove, just now, that bill No. 4 constituted a complement to section 133 of the British North America Act. Although the letter of the law is not very precise as to the use of the French language and the publication in French of the various official documents of Canada, we have always been under the impression since confederation, and especially within the last twenty years, that the French language was to occupy a place of honour in this country. Translators were appointed in all departments. That was an official recognition of the French language. These translators, scattered here and there, over the government departments, occupy, each of them, a place of honour and translate not only the documents of their departments but often those of other departments when their special qualifications are required. They were, so to speak, the French ornament of each department, and they are still. They accomplished their task scrupulously. Perhaps, defects appeared, at times, but this is not a reason to blame the system. There are no rules without exception, if in such and such a department unqualified translators are met with, let them be replaced. However, one must not, for such a reason, upset the entire system of translation and concentrate them in a large study hall.

It is stated that one of the advantages of the act will be to ensure the simultaneous publication of English and French documents. I respectfully submit that this is a myth. They must first be printed in English before the translators begin their work. Complaints come from the government side that documents, proceedings and departmental reports were not translated in sufficient numbers or when required. It must be that the departments were short of men or of qualified persons. Yet, we find in the explanatory notes that this bill is introduced to obtain more efficiency and to economize the public moneys.

I take it for granted that our translators, on the whole, are efficient. In no way was it proved that there existed unqualified, lazy persons or parasites; translators that sleep over their work. Then if you wish to have a larger output of translated reports and obtain the object which the Solicitor General mentioned, more translators will be required and, therefore, it will be at a greater cost to the country. All have complained, for twenty years, under all administrations, of the small number of translated publications. If you wish to have a larger number of these, additional translators will be required, the cost will increase, as a greater efficiency can not be obtained at a lower cost; the two clash.

It was with pleasure, sir, that I listened, just now, to the sincere statement of the hon. Solicitor General. One says in English—it sounds better than in French—it is a pious wish. However, from a legal angle, I shall examine clause 3 which reads as follows:

> There shall be a bureau under the minister to be called the bureau for translations, the duties and functions of which shall be to collaborate with and act for all departments of the public service, and both houses of parliament of Canada.

Where is to be found the obligation of implementing the last provision of section 3? Where is the principle? It is a matter of collaboration, nothing else, one cannot interpret as a stipulation the wish momentarily expressed in the speech of the hon. Solicitor General.

I deny to any commission the right of removing from the House of Commons the translation service; such a privilege is adherent to the House and Senate; these translators are our distinguished collaborators. They are, so to speak, the radio broadcasting our speeches both in English and French—always at the right time, I trust—and informing the people who like to read. I enjoy seeing our translators in this building, on the first floor where we can easily get information. I should not like to have to walk to the Confederation building or the Public Works buildings, and in a large study hall—reminding me of my college days, when I use to call on my fellow student—and having to knock at the door and ask the supervisor or superinten-

dent whether I may speak to such or such a translator to complain, to alter or to be more explicit about some part of my speech.

We, members of the House of Commons, are perfectly satisfied with the translation of our speeches. It reaches us within 24 hours after the text is published, and so far as members are concerned we have no complaint to make about the official translators of the house. If it happens, as the hon. member for Labelle stated, that some of them work less than others, let an investigation be held. Let the house, through its worthy Speaker, inquire whether there is room for improvement on the debates staffs and make changes if necessary.

Section 3 continues:

. . . and all bureaus, branches, commissions and agencies created or appointed by act of parliament or by order of the governor in council, in making and revising all translations from one language into another of all departmental and other reports, documents, debates, bills, acts, proceedings and correspondence.

Where is to be found in the bill, in the legal sense, an immediate and statutory obligation to translate these documents? Absolutely no such stipulation is inserted. It is a collaboration—just like the collaboration between members on your right, sir and those on your left.

An hon. minister has just stated that he had before him, I think, 15 reports which had been translated out of a total of 29. He assures us that in the future such will not be the case. This can apply just as much to former ministers as to the present ones, I wish to be quite frank in my arguments—however, were any reasons given why these documents were not translated in French? It is not simply a case of applying a remedy, the cause for such deficiency must be found, yet no one gives any explanation. Again I state if you wish to remedy present condition, obtain more efficiency and economy in this service, gentlemen, I fail to see how you will do it, with the goodwill which characterize each of you! For such and such a department you will require translators. Where will you seek them? By virtue of bill 4, clause 4:

may be transferred to the bureau as herein provided . . . the translators of the various departments.

You will then, take them in all departments, removing these translators from the various govermental departments so as to place them in this new bureau for translations, at the head of which there is to be a superintendent and supervisor. If you are not going to dismiss them, you will have the same men, the same intellects, the same qualifications and you will have the same efficiency.

Another reason given is the better distribution of the work. But is not a translator familiar with the work of his department, better qualified to do that departmental work, where he has been stationed for 2, 4, 6, 8, 10, 15 or 20 years, where he has specialized himself in all its branches and acquired a technical working knowledge? Is this translator not in a position, to-day, to prove himself more efficient? I say: certainly, yes. It is contended that there is no future in the department for this translator; well, if he is a competent man, he can study the various activities of the department, and his chance for promotion will come. You will be unable to get qualified translators, because they will be untrained for this special work, even though our students in technical schools, in the Ecole des Hautes Etudes Commerciales, briefly, in High Schools are well tutored—

An hon. MEMBER (Translation): Not in the University of Montreal!

Mr. MERCIER (Translation): As to the University of Montreal, I wish to praise it for the splendid work it carries on in developing our gifted youths; to it, we owe our own education. It is the university where I followed my law lectures.

If these translators are brought together and submitted to strict rules, like in a college, if they are concentrated in a large office, their efficiency will be decreased. If it is intended by this bill to replace them for the sake of economy, where will you find immediately qualified men for the various departments? If you are in earnest you will keep the same staffs; otherwise, how are you going to maintain this bureau of translators? It is impossible, incomprehensible. If it be otherwise, then you wish to retire or dismiss some of them. If they are dismissed, others will have to replace them. This will simply mean the dismissal of efficient translators to replace them by ordinary ones. One may sometimes find fault with translators, but a good translation is not an easy task. Give a text to translate to ten persons and no two translations will be alike, while if a qualified translator is given the same text, his will be the only good one.

"Responsibility": "a responsible minister." But the present ministers are all responsible. If the work of translation is not being carried out, especially since 1930, it must be because there is some deficiency somewhere, in the departments.

Mr. DUPRE (Translation): Will my hon. friend permit me? ?

Mr. MERCIER (St. Henri) (Translation): Certainly.

Mr. DUPRE (Translation): I think that the statement that the work of translation is not being carried out, especially since 1930, is an absolutely unfounded charge, because never has the translation been so well done and kept up than since 1930.

Mr. MERCIER (St. Henri) (Translation): It is not what I stated, I did not fix any particular date; I mentioned just now all the governments which have been in office, within the last twenty years. However, I am ready to abide by your statement. You have made a special study of the question and you have just stated to the house that the English documents, for the most part, were not translated. Then this deficiency rests with certain departments, the translation having been neglected in those departments.

Mr. DUPRE (Translation): I mean that the translation, although deficient, is better than before. I do not wish to interrupt my hon. friend without his consent.

Mr. DUGUAY (Translation): He is sufficiently perplexed, at present.

Mr. MERCIER (St. Henri) (Translation): At all events, whether this defect existed before 1930 or since 1930, it simply means that documents were not translated in time, both under your administration and the previous one. We, therefore, agree. In the cases mentioned, there has been a deficiency somewhere. Why were these documents not translated under both administrations? Because no one supervised the work or else there were not sufficient translators. You cannot deny this fact. And should you intend to supply all the translation you spoke of, no economy will result since more translators will be required to obtain more efficiency. Therefore, the explanation given to the house for enacting this bill, namely more efficiency and economy, falls short.

I contend that in placing all these translators under the same roof, all these young men, brilliant as most are—

An hon. MEMBER (Translation): They will be contaminated!

Mr. MERCIER (St. Henri) (Translation): Had they not been brilliant, they would not have been kept in the employ of the state. I take too great a pride in the welfare of my county to imagine that in all the departments there are no efficient officials. By confining all these translators from the various departments in the same office at the bureau for translations, individual differences will be levelled down and that will hinder their chances of promotion.

Under the circumstances, particularly after hearing the arguments put forward to-night, I am more convinced than ever that this bill is useless and will not make for efficiency in translation unless more money be spent. Then where would the economy come in?

I have no orders to give to anybody, I have no desire to give any nor am I conceited enough to do so, but I may say this: Instead of this wild topsy-turvy with no better result and with greater cost, because they will have to increase the staff, wherever there are not enough employees in a department let the minister in charge of that department appoint some. He need not apply to the Civil Service Commission; he has only to look for competent men and bring them into his department. Let him go and get them in Montreal, Toronto, Winnipeg, anywhere, provided that they give satisfaction. And then let each minister determine what reports must be published in French.

Last year I asked the government if the evidence brought before the radio committee of the house would be translated into French and the answer was that it would not be translated, although it was a very important inquiry.

Section 3 of Bill No. 4 gives no assurance whatever that the Solicitor General's dream will come true.

Mr. JOSEPH JEAN (Maisonneuve) (Translation): Mr. Speaker, much importance is being given to the bill now before us. The Solicitor General (Mr. Dupré), after the hon. member for Labelle (Mr. Bourassa) endeavoured to show a moment ago that the effect of this measure would be the recognition of additional rights for the French language. He maintained that under section 3 of this bill, every one of the documents and reports of the various departments will have to be translated, even those that are not mentioned in section 133 of the British North America Act. I do not think that is the legal interpretation which can be placed on this measure. This bill was presented merely for the purpose of organizing the translators into one central bureau. These translators will be left to interpret themselves the constitution and in this I see rather a danger than an extension of the rights of the French language,

because the interpretation of section 133 of the British North America Act will be entrusted to a group of civil servants. The chief translators or one of the translators may take a fancy to say that section 133 does not permit or compel him to translate such or such document; he will be free to interpret the law as he likes. And what authority will parliament or the various departments have to induce that translator to construe the spirit of the law such as we have always understood it to this day.

Therefore, Mr. Speaker, I submit that this bill, not only is far from giving additional rights to the French language but is dangerous on account of the false interpretation that might be placed on the laws which presently guarantee the use of the French language in this parliament and throughout the Dominion. Further than that, I think we should not give this measure the interpretation that has been given to it by the hon. member for Labelle the other day and by the Solicitor General to-night.

At any rate, I am sure that the hon. Secretary of State (Mr. Cahan) when he drafted this bill, never thought of granting additional rights to the French language in this country. The object as expressed in the explanatory notes annexed to the bill contains nothing of the kind, and there is not a word about it in the bill itself. These explanatory notes state why the measure was submitted and the results which are expected from it. According to these explanatory notes and the information given to us by the hon. Secretary of State when he presented this measure the other day, it is a matter of efficient translation and economy. The hon. Solicitor General has seen fit to tell us that the efficiency will consist mainly in the simultaneous publication of various reports and documents which must be translated. I believe the bill itself says the very opposite. Section 3 deals with a Bureau of Translation whose duties will be to translate reports that have alreday been published. We cannot translate a report before it is published and there is no doubt that nothing in the bill provides for a simultaneous publication in both languages. If such a clause were inserted in the bill I might approve of the measure in so far as efficiency is concerned. But no such thing appears in the bill; it is quite the contrary.

Mention was also made of improving the translation. Some are under the impression that all translations are alike. The present translators of the various departments carry out their work to the best of their ability. Either they are efficient or they are not. If we employ the same translators, there will be no change in the translation. If the translation is well done, to-day, I do not see the necessity for this bill.

A more fair distribution of the work was alluded to. I do not think that the work can be better distributed since it is distributed among the various departments which have their own translators. Each department has its bilingual character owing to the presence of its translators; if these are removed we destroy the bilingual character of the departments and create a sole bilingual bureau, in the parliament buildings.

Let us examine the constitutional side of the question. This bill concentrates in a bureau all departmental translation as well as that of the two chambers of parliament. This provision is the most amazing part of the bill. I fail to see how the two chambers of parliament can be controlled by a bureau for translation and forsake their prerogatives. According to the strict letter of the constitution, I fail to see why parliament should thus divest itself of its prerogatives. The government, the House of Commons as well as the Senate should have under their control the translation, especially that of the debates.

According to this bill, the house will lose control over the translation, which is so important to parliament. I repeat that this bill, in my opinion, does in no way increase the prestige of the French language; quite the contrary, there is danger that the act will be so interpreted as to turn against us instead of in our favour. We shall always have to carry on the struggle to maintain the rights of the French language, so long as we remain a bilingual country and are in the minority. We must, therefore, always stand by our guns, if we wish to uphold our rights. I do not think that this bill will add a dot to the rights of our language; on the contrary, it may constitute a danger; all will depend on how the translators themselves interpret the act. On the other hand, if the bill stipulated that the publication of the various reports and documents, both in French and English, shall be simultaneous, if the bill provided that all parliamentary documents, even those which are not stipulated in section 133 of the British North America Act, shall be translated if parliament was given control over the translations, especially those connected with the debates of the house, well truly, I think I would endorse this bill and would not feel justified in voting against it. However, nothing of the kind is to be found in this bill.

I beg to move the adjournment of the debate, Mr. Speaker.

Motion agreed to and the debate adjourned.

Mr. GUTHRIE: Mr. Speaker, may I have the consent of the house to revert to the orders for motions? Inadvertently two formal motions were omitted to-day when the order was called.

The house having reverted to the order for motions:

BANKING AND COMMERCE

Mr. GUTHRIE moved:

That the name of Mr. Smith (Cumberland) be substituted for that of Mr. Gagnon on the select standing committee on banking and commerce.

That the name of Mr. Cotnam be substituted for that of Mr. McDade on the select standing committee on miscellaneous private bills.

Motion agreed to.

RADIO BROADCASTING

APPOINTMENT OF SPECIAL COMMITTEE TO INQUIRE INTO AND REPORT UPON OPERATIONS OF RADIO COMMISSION

Mr. GUTHRIE moved:

That Messrs. Ahearn, Beynon, Cardin, Gagnon, Garland (Bow River), McLure, McKenzie (Assiniboia), Morand and Wright do constitute the select special committee of this house pursuant to the motion adopted on the sixteenth day of February, 1934, to inquire into and report upon the operations of the commission under the Canadian Radio Broadcasting Act, 1932, as amended at the last session of parliament, and to have power to send for persons, papers and records and to examine witnesses and to report from time to time to this house.

Motion agreed to.

On motion of Mr. Guthrie the house adjourned at 10.58 p.m.

Tuesday, March 6, 1934

The house met at three o'clock.

BANKING AND COMMERCE

First and second reports of the select standing committee on banking and commerce.—Mr. Hanson (York-Sunbury).

Mr. HANSON (York-Sunbury): By leave of the house I beg to move:

That the recommendations contained in the first report of the select standing committee on banking and commerce presented to the house this day be concurred in.

[Mr. Jean.]

Mr. BOTHWELL: The report says 1,000 copies. Was it not agreed upon this morning that it should be 1,500 instead of 1,000?

Mr. HANSON (York-Sunbury): My recollection is 1,000. If there is any error, we can have it corrected.

Motion agreed to.

PRICE SPREADS AND MASS BUYING

Mr. STEVENS moved:

That the special committee appointed to inquire into price spreads and mass buying be empowered to print its day to day proceedings and evidence in the English and French languages for distribution to the committee and to the members of the Senate and House of Commons.

He said: This is merely clarifying a previous motion made to that effect.

Motion agreed to.

PRIVATE BILLS

FIRST READINGS

Bill No. 27, to incorporate Thousand Islands Bridge Company.—Mr. Maloney.

Bill No. 28, to incorporate Ancient Foresters' Mutual Life Insurance Company.—Mr. Bell (Hamilton).

Bill No. 29, respecting The Wawanesa Mutual Insurance Company.—Mr. Kennedy (Winnipeg).

PRIVILEGE—MR. CHEVRIER

On the orders of the day:

Mr. E. R. E. CHEVRIER (Ottawa): Mr. Speaker, the second point I wish to raise is one of privilege affecting more the privileges of the house than the personal privileges of a member, but it falls within rule 41 as to decorum in debate. The hon. member for Labelle (Mr. Bourassa), as reported at page 996 of the debates of March 5, said this:

So that a half-witted, blunt or ignorant deputy minister, such as were to be found under various governments and even to this day.

Those are not words which, in the light of what has already been stated to the house, should have been used. May I be permitted to quote from page 4908 of Hansard of May 11, 1933, when the Prime Minister (Mr. Bennett), on a question somewhat similar to this, spoke as follows:

Mr. Chairman, I think that ought to be withdrawn. There are certain amenities that should be respected. Has this parliament degenerated to that sort of thing? I just leave it to you, sir. If a member can talk that way about a man who cannot defend him-

self on the floor of this house, about his whiskers, then all I can say is that this parliament has reached a low level.

I quote from the same page, 4908, where the chairman said:

> I would ask the hon. member . . . to remember one thing; in England the House of Commons is considered a gentleman's club, and that should apply to Canada also.

May I also cite Bourinot, fourth edition, at page 358:

> All references to judges and courts of justice and to personages of high official station, of the nature of personal attacks and censure have always been considered unparliamentary and the speakers of the British and Canadian houses have always treated them as breaches of order.

I mean, sir, that personages of high official station would include, under our parliamentary procedure, such persons as deputy ministers. I submit that even though this parliament may have certain immunities as far as excessive language in this house is concerned, such language should not be used as against those who have not the privilege of defending themselves in this house; and if the hon. member cannot be asked to withdraw at least he should be censured.

Mr. POULIOT: Sir, I rise to a point of order.

An hon. MEMBER: You would!

Mr. POULIOT: The hon. gentleman has quoted some excerpts from a speech delivered by the hon. member for Labelle (Mr. Bourassa). We stand here, sir, by the rules of the house and the standing orders. May I quote to you on this point of order standing order 41 which has not been amended since 1927 and which reads thus:

> No member shall speak disrespectfully of His Majesty, nor of any of the royal family; nor of the governor or person administering the government of Canada; nor use offensive words against either house, or against any member thereof. No member may reflect upon any vote of the house, except for the purpose of moving that such vote be rescinded.

The gentlemen who have been referred to by the hon. member for Labelle, and on behalf of whom the distinguished senior member for Ottawa (Mr. Chevrier) has just spoken, are not included in this restrictive enumeration. No one of them is His Majesty, no one of them belongs to the royal family, no one of them is the governor or the person administering the government of Canada, no one of them is a member of either house. Therefore the rule by which we all stand, rule 41, does not include those gentlemen. I am in full sympathy with them, but I contend that what is said by any hon. member, the member for West Calgary (Mr. Bennett) no more than any other, is not the regulation under which we sit here and debate questions that are submitted to us. I contend that any hon. member can express his own view, but a distinction should be made between any hon. member's personal view, whether he belongs to the cabinet or is a back-bencher, and the standing orders of the house. Such views are not a standing order of the house. This order contains the enumeration by which all members are governed. For the ten years that I have been a member here no hon. member has attacked the governor, no one has attacked His Majesty, they all observe this rule. The hon. member for Labelle, for whom I have great respect, enjoys freedom of speech. I believe that a member of the House of Commons is entitled—

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: Sir, I will ask the Sergeant-at-Arms to put out of the house the asses that are braying so loudly. When I say that I do not wish to cast any reflection upon any hon. member of the house. Sir, what I say is, that the rules of the house are contained in this green book. They are the law of this chamber. No member may do anything which is not permitted by those rules; when he does you can rightly call him to order, he has to stand by your ruling. I have great respect for opinions expressed by hon. members, other than by banging their desks; when a member shows his intelligence by reason and argument I have great respect for his views; but I do not govern myself by, and no one can compel me to be governed by the views expressed by an hon. member personally. All we have to do is to stand by the rules of the house. In conclusion my contention is—

Some hon. MEMBERS: Carried.

Mr. POULIOT: I am just concluding. I say that we are not bound by what is said by any hon. member of this house. We are bound by the rules of the house, and according to those rules the hon. gentleman, I am very sorry to say, is out of order in this case.

Mr. SPEAKER: I do not know that the statement made by either hon. gentleman calls for a ruling from the chair. As Speaker I say that, even though the wording of standing order No. 41 specifies only certain persons who may not be spoken of disrespectfully or offensively, it is not the custom or practice of the house to use disrespectful or offensive words in regard to any one for that matter,

and I do not think the house in general approves of the use of such language, even though it may not be specifically prohibited by the rules. The words to which the hon. senior member for Ottawa referred were spoken on February 26 last. The hon. member was not under the disability that some of us are in being unable to understand the French language as spoken, he was present in the house and understood what was said at the time, no objection was made by him, and I do not think it is incumbent upon the Speaker now, on March 6, to take any action in the matter.

Mr. POULIOT: Therefore, Mr. Speaker—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. member has stated his point of order, and the matter cannot be further discussed.

POOL TRAINS

MONTREAL-QUEBEC AND TORONTO-OTTAWA PASSENGER SERVICES

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): I would like to get some information from the Minister of Railways and Canals (Mr. Manion). He may not be able to give it to-day but might give it to-morrow. It is with regard to the pooling of trains between Quebec and Montreal which is announced to take place on the 10th instant. It is a peculiar pooling, in that all the Canadian National trains are taken away and all the Canadian Pacific trains remain. This will cause much inconvenience to the travelling public, and still more to the employees of the Canadian National Railways. I would like to have full information as to the conditions under which this pooling has been agreed to, in order that we may discuss it with full knowledge of the facts.

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, as the hon. gentleman said, I do not know the facts at the moment and cannot answer fully. I shall do so as soon as I get them. But let me say one thing now; that is that where trains are pooled and what my hon. friend calls the Canadian Pacific trains continue to run, the fact that the time of a pool train corresponds with the time table of the Canadian Pacific or the Canadian National matters not, because pooling means that the returns are pooled, so that it is as fair to one railway company as the other. I mention this so there will be no misunderstanding.

[Mr. Speaker.]

As to questions relating to hours, with which I presume my hon. friend is chiefly concerned, I shall make inquiry and endeavour to give a full explanation.

Mr. LAPOINTE: Are the employees also pooled? Are Canadian National employees going to work on Canadian Pacific trains? Because only Canadian Pacific trains are being retained, and they are being operated on the Canadian Pacific line.

Mr. MANION: As far as the employees are concerned, we put a clause in last year's bill which the railways claim they are living up to, providing that whenever any pooling is done every effort shall be made to be perfectly fair to the employees of both railways. In regard to the specific instance my hon. friend refers to I cannot give a particular answer, but the railway managements are endeavouring throughout the country, wherever there is pooling of shops or trains, to balance the employees of one railway with the employees of the other. However, I will give the hon. member a fuller reply as soon as I look into it.

Mr. E. J. GARLAND (Bow River): While the minister is on that subject I should like to direct his attention to the proposed removal of trains Nos. 552 and 553 from the Toronto-Ottawa service. The trains leaving Ottawa have been packed to capacity, and I do not know how the service is going to be maintained if these trains are cut off. I direct the minister's attention to the further fact that if these trains are taken off it will mean that about seventy employees of the railways, including the crews of the two trains both ways, will be seriously affected by this decision of the railway companies. I should like to know on what basis the railway commission has decided to allow these trains to be cut off.

Mr. MANION: As my hon. friend knows, as Minister of Railways I have nothing whatever to do with the pooling of these trains; this is done under an arrangement between the managements of the two companies for the purposes of economy. I did have a statement which I received this morning, which unfortunately I did not bring with me, in regard to the pooling between Ottawa and Toronto and Montreal and Toronto, showing that they claimed a saving of something like a million passenger train miles per annum. They usually estimate the cost at $1 a mile, so they figure they are making a very great saving. However, I merely emphasize the fact that neither the government nor myself, as minister, has anything to do with the pooling

of these trains. This is done by the railway companies themselves for the purposes of economy, and certainly they are endeavouring to give service to all who require it between these stations. I shall deal with my hon. friend's question when I deal with the question asked by the hon. member for Quebec East (Mr. Lapointe).

FARMERS' STRIKE

On the orders of the day:

Mr. MICHAEL LUCHKOVICH (Vegreville): I should like to direct a question to the Minister of Trade and Commerce (Mr. Stevens). Recently complaints have been received from Myrnam, Alberta, with regard to the refusal of the agents of five grain companies to buy any but tough grain. As a consequence the farmers in that vicinity have gone on strike, and at many other points in northern Alberta sympathetic strikes are in progress. I should like to ask the minister if the matter of the Myrnam farmers' strike has been brought to the attention of the Department of Trade and Commerce and, if so, what steps have been taken in connection with it, and also whether the board of grain commissioners has done anything to settle the grievances of the farmers in regard to the grading of grain.

Hon. H. H. STEVENS (Minister of Trade and Commerce): If I had been given notice of the question I think perhaps I could have given a more satisfactory answer; I am speaking now only from memory and from a casual conversation I had yesterday with the chairman of the board of grain commissioners. He intimated to me that there had been some trouble in the area to which my hon. friend refers, and he also intimated that the difficulty had been adjusted. I have no further information on the subject, but I will take the question as a notice and deal with it tomorrow or as soon as the chairman of the board comes back to Ottawa. I expect him back to-night, but I am not quite certain.

INQUIRY FOR RETURN

On the orders of the day:

Mr. L. DUBOIS (Nicolet) (Translation): Mr. Speaker, on February 20, last, I drew the attention of the house to the fact that documents which I had requested in connection with the breaking up of the ice-bridge between St. Angèle de Laval and Three Rivers had not been tabled, it was, however, pointed out, in these documents, that the hon. Minister of Marine (Mr. Duranleau) had received requests from the authorities of Three Rivers, through their member, for the help of ice-breakers so as to facilitate the service between St. Angèle and Three Rivers. This document was not included in the returns, and I, therefore, requested the Minister of Marine to kindly have it tabled. The latter informed me that he had tabled all the documents which the department had furnished him.

I can make inquiries, said he, and if there exists further correspondence, I shall be pleased to either lay it on the table or communicate it to my hon. friend.

It is now March 6 and I have not yet received anything. These requests made by the authorities of Three Rivers through their member (Mr. Bourgeois) must have been either made orally or in writing. I do not see why the hon. minister could not reply to me orally, if the request was so made, or else table the document if it was made in writing.

Mr. DURANLEAU (Minister of Marine) (Translation): Mr. Speaker, after an investigation, I wish to state to my hon. friend that there is no correspondence as indicated. It is quite possible that the hon. member for Three Rivers, at the time, made such requests orally. I cannot say positively.

BUREAU FOR TRANSLATIONS

The house resumed from Monday, March 5, consideration of the motion of Mr. Cahan for the second reading of Bill No. 4, respecting the bureau for translations and the proposed amendment thereto of Mr. Chevrier.

Mr. JOSEPH JEAN (Maisonneuve) (Translation): Mr. Speaker, I stated, last evening, that the bill under discussion, has not the import which the hon. Solicitor General (Mr. Dupré) and the hon. member for Labelle (Mr. Bourassa), seem to have given it. Far from being an additional guarantee of the rights of the French language, it is of a nature to restrict it by leaving to the bureau created by this bill the care of interpreting the guarantees given to our constitution. Besides, it takes away from the different departments the bilingual character which must be theirs under the present system.

If it is a fact, as has been said, that section 133 of the British North America Act limits the compulsory use of the French language to the printing of the house records and of the statutes, I fail to see how the proposed legislation shall fundamentally place the two languages on an equal footing. If the intention be really to create that equality of standing, as far as the two languages are concerned, in the various departments of the public ser-

vice, it can be done in a far safer way than through the centralization of translating staffs. Let us provide for the appointment of bilingual officers in every department. Such efficiency, production and economy as might be secured under the latter plan are surely more apparent than in the indefinite cooperation provided for in sections 3 and 4 of the bill now before the house. If it is desired to ensure the simultaneous publication of the house records in both languages, would it not—the only way to achieve the end in view—be better to leave the translators in direct contact with the ministers and officials entrusted with the preparation of such documents, as is the case at the present time.

I am willing to admit that to a certain extent there is room for improvement in the present system, but the conditions could not be improved through the crowding of the translators into one department. For instance, the French edition of the Hansard is being issued two or three days late. Why? Because of the fact that the translators have to wait for the English text proofs from the Printing Bureau. Should the typewritten copy, as it is being prepared, be handed over to the translating staffs, the French edition of the Hansard could be made available practically at the same time as the English edition. The same could be done, if desired, in connection with all other publications. But such is not the object aimed at by the hon. Secretary of State in introducing this legislation. The object in view may be found in his explanatory notes of the bill:

> It is believed that the organization and administration of the proposed bureau for translations will result in improved efficiency and a considerable saving of public funds.

I do not believe, Mr. Speaker, that the debates translators, as well as the other translators generally could discharge their duties in a more efficient manner than they do at the present time, and I fail to see how economy would result from the proposed bureau for translations.

Efficiency and economy can only be obtained through the competency of the translators, and whatever system is put in force, better results in every respect will be secured with qualified men and the cost of translation will be accordingly less.

On the other hand, there was no demand from anywhere for the proposed legislation. The majority of those who are more directly affected by the bill, are opposed to it. The French press in this country has declared itself against it. Most of the French speaking members in this house are also opposed to the measure. I even suspect that, at the start, our honourable friends from the province of Quebec who sit on the other side of the house, were not in favour of the proposed plan. Why such an insistance to have it carried out and how are we to account, Mr. Speaker, for that distorted construction which is being placed on the bill? Has the hon. Secretary of State stated at any time that the end he had in view when introducing the bill was to recognize the principle of an equality of status for both languages, and does the bill itself contain a single provision the intent or letter of which warrants such an inference? Not a single word in the whole bill justifies that construction being placed on it.

Mr. Speaker, I do not propose to enter into a discussion of the bill in its details as well of the unfairness it involves as far as the translators are concerned. The point has already been fully covered and it is needless for me to go over the same ground again. But I am of the opinion that the arguments put forward in support of the bill have not been proven and that the objections raised against it have not been refuted. Our friends on the other side of the house have taken us to task because we failed to offer to them any advice as to the position they should take. Should they be willing to take a friendly word of advice from their friends on this side of the house, I may say to them in concluding: Do not press this bill to the end, or it might prove a boomerang against yourselves.

Mr. L. E. PARENT (Terrebonne) (Translation): Mr. Speaker, at this stage of the discussion on this bill, I feel that I owe it to my electors of the constituency which I have the honour to represent, to state my views before I cast my vote on the motion now before the house. By this Bill No. 4, entitled An Act Respecting the Bureau for Translations, introduced by the hon. the Secretary of State (Mr. Cahan), it is sought, on the ground of efficiency and economy, to place all the translators under one direction and systematic control. The bill, Mr. Speaker, has met with a great deal of opposition, especially in the French section of the press in the province of Quebec, and even, I may add, in some districts of the province of Ontario where groups of French Canadians are located. The Secretary of State said that the various statements of the French press as well as the opposition, in a general way, against the bill had taken the form of violent outbursts. The discussion was as to whether this bill was harmful to the French language in this country or if it restricted its rights.

The hon. Secretary of State, in presenting his measure, explained that the criticisms levelled at the bill

"are due to lack of information as to the provisions of the bill, or an entire misapprehension as to its purpose."

The unrevised French edition says:

Ces critiques, je crois, viennent d'un manque de renseignements ou de malentendus quant au but de la mesure.

And he added:

The government, let me assure you, is not endeavouring to destroy the confederation pact, or to preclude the use of the French language in the debates of parliament, in the reports of proceedings of parliament, or in the administration of the several departments and agencies of the government of Canada.

But, sir, the bill must be construed as it stands before the house and not according to the explanatory statements of the hon. Secretary of State. We may grant the hon. Secretary of State that he is quite sincere, but why did he not submit a bill worded in the very terms which he used in this house?

What does the bill say? It is stated in the explanatory notes that:

The existing translation service has developed without systematic direction or control; and it it desirable in the interests of efficiency and economy that it should now be organized and the work of translating so distributed that no translator shall be idle or overworked, under paid or over paid.

Then further:

It is believed that the organization and administration of the proposed bureau of translations will result in improved efficiency and a considerable saving of public funds.

Mr. Speaker, did the hon. Secretary of State submit this bill only for the purpose of economy and to have systematic control and direction of the translation of debates, proceedings and public documents?

I shall now read section 3 of the bill and later make definite statements about it: Section 3 of bill No. 4 provides that:

3. (1) There shall be a bureau under the minister, to be called the Bureau of Translations, the duties and function of which shall be to collaborate with and act for all departments of the public service, and both houses of the parliament of Canada and all bureaus, branches, commissions and agencies created or appointed by act of parliament, or by order of the governor in council, in making and revising all translations from one language into another of all departmental and other reports, documents, debates, bills, acts, proceedings and correspondence.

Mr. Speaker, the only thing that this bill provides for is the manner in which translation shall be done, namely: through cooperation. It does not specify that all documents shall be translated and printed in both languages. It is not clear. It only explains the way in which translation shall be carried out. It is not stated in section 3 of this bill that "every one of the documents" shall have to be translated; but only "all documents." It is indeterminate. They might be more or less numerous and it will all depend on the collaboration of the heads of the various departments of the public service. Moreover, this bill adds nothing whatever to the existing rights of the French language as provided for by section 133 of the Confederation Act.

Yesterday I listened very attentively and with great interest to the speech of the hon. Solicitor General (Mr. Dupre): As he praised the hon. Secretary of State, he said that this bill would greatly add to the rights of the French language and the translation of debates and other documents in both languages. I believe, Mr. Speaker, that nothing in this bill is adding one iota to the rights that the French language has already acquired or to the spirit of the Confederation Act concerning the use of both languages in this parliament, as it has been interpreted heretofore. I say that the wording of this bill ought to be changed and amended. If the hon. Secretary of State is sincere, as I believe he is, he will explain before the committee entrusted with the drafting or amending of this measure, why it is necessary to change the wording of section 3, especially in order to have it stated that not only " it is the duty of" the departments, but that the departments "must" translate, publish and distribute every one of the documents, in both English and French.

Some may say, Mr. Speaker, that the word collaborate with implies an obligation and means what the Secretary of State explained when he presented his measure, namely that the bill will in no way infringe on the rights of the French language as regards the translation of documents. Mr. Speaker, if you refer to the Larousse French Dictionary, you will find that the word "collaborer" simply means:

Travailler avec une ou plusieurs personnes à un ouvrage d'art, d'esprit, etc.

I wonder if that really is the meaning given to the word " collaborate " in section 3 of bill No. 4. I think that this house is right in criticizing and in saying that the phraseology of this bill is incomplete within the meaning and the spirit of confederation.

In the course of his remarks, the hon. Secretary of State laid special emphasis on the questions of efficiency and saving of public funds. That is the practical side of the question which deserves examination. The administration of all the departments is

similar to the administration of any business concern. When a reduction of certain expenses or of certain fixed charges is desired, appropriate measures must be taken. I do not wish to criticize the hon. Secretary of State for having paid special attention to that point, because I know that in a time of depression like this, any government or business concern must try to cut down expenditure. But how does the Secretary of State propose to attain this object? It has been said that useless expenditure to the amount of hundreds of thousands of dollars has resulted from errors in translation, which had to be corrected on the galley proofs sent back by the King's Printer for revision. These galley proofs have to be revised a second time, and so as to avoid this useless expenditure or loss of money, it is now proposed to centralize the translators, in the hope of bringing an improvement. The hon. Secretary of State claims that the present system is responsible for the errors and omissions of the past. I shall not attempt to find who was responsible for the errors complained of; errors may happen anywhere, nothing is perfect in this world. Even admitting that those errors may have cost the amount mentioned by the hon. Secretary of State, should he not, before presenting such a bill, consult the heads of the different departments and ascertain if all the translators have done their duty, if certain departments are not short of translators, and finally if at certain times of the year some translators are not overworked. Would it not have been possible to hold an investigation so as to find out in what departments the work is not done as it should be, and to try some corrective measures for six months, for one year, or even for two years, before bringing down in this house a bill which antagonizes a large section of the population of our country? If the complaints are justified, a little investigation would have removed the cause of the trouble.

I am surprised that no report whatever should have been presented to the house, and that we are not told of any efforts made to remedy the conditions and to remove the cause of the errors found in the work of the translators of the various departments. Instead, we are told: "We want to centralize the translators in order to economize public funds."

There shall be a bureau for translators, according to the terms of the bill. The hon. Secretary of State says that the bureau shall be divided in two branches, but there is not a word to that effect in the bill. There shall be a bureau; that is all. Where shall that bureau be located? Will it be on Sussex street, on Wellington street, a mile away from the centre of the city? Where is it going to be? We do not hear a word about that. One thing is certain; everybody knows, and it will be an extraordinary spectacle when the law shall come into force, to see messengers running around the city of Ottawa—

Mr. MERCIER (Saint-Henri) (Translation): On bicycles?

Mr. PARENT (Translation): —on bicycles, on street cars, walking, motoring, with bundles of papers, with state documents, with departmental files concerning the smuggling of narcotics, the arrest of high placed individuals, or with other papers of the highest importance. And do you think that no errors could happen during the handling of all those documents? I have every confidence in our staff of messengers, but some of them may be weak; such is human nature and it cannot be changed. All those documents shall first be taken from the departmental files and registered by an official, then the chief of the department will hand them to a messenger, who will start on his journey through the streets of the city—

Mr. BARRETTE (Translation): And the country-side.

Mr. PARENT (Translation): —in the direction of the bureau for translations. There, he will deliver the papers which will be registered on an index card by the receiving clerk, who will stamp the hour and date of reception, and inscribe the nature of the documents received for translation. The chief of the bureau must then take the document and hand it to one of the translators. Then the work of translation begins. When the work is completed the translated text must be submitted for revision. The revision over, the document comes back to the chief once more and then starts travelling again—

Mr. MERCIER (St. Henri) (Translation): The same messenger, with his bicycle.

Mr. PARENT (Translation): The same messenger riding a bicycle or driving a car will bring it back to where it started from, the official files, whence it will be forwarded to the King's Printer who, mayhap, will receive it rather late. I have counted seven formal stages through which the document must necessarily pass.

Mr. MERCIER (St. Henri) (Translation): A genuine "pigeon hole".

Mr. PARENT (Translation): And it is estimated that each department,—there are

47 of them in the service,—will handle an average of twenty documents each and every day. Multiply 47 by 20, then multiply that result by 7, and you get the fabulous number of more than 5,000 manipulations that these documents will have to undergo every day under a centralized translation service such as that proposed by bill No. 4.

Mr. MERCIER (St. Henri) (Translation): The translation marathon.

Mr. PARENT (Translation): Without mentioning the danger of certain indiscretions, of involuntary losses or omissions, on the part of the messengers. But there is more than that. Can one admit for a single instant that documents of the highest importance should be temporarily withdrawn from the official files and allowed to leave the premises of the different departments?

Mr. BARRETTE (Translation): A very serious matter, indeed.

Mr. PARENT (Translation): And what would happen if at that very moment, for some important reason, or some matter of emergency, a neighbouring department should request the instant return of a document so withdrawn?

Mr. BARRETTE (Translation): The Secretary of State did not foresee that.

Mr. PARENT (Translation): You can imagine the frantic search that would result to find the wanted document among the two or three thousand that would be in the hands of the translation bureau.

Mr. MERCIER (St. Henri) (Translation): A game of "hide-and-seek".

Mr. PARENT (Translation): All these things must be considered when it is sought to establish a centralized organization like that proposed by the hon. Secretary of State under bill No. 4.

Mr. Speaker, the centralization of the translation service means the centralization of our translators. A translator, it has been said repeatedly and I say it again, is a specialist. I will add that his work calls for professional qualifications. Time was, when we wanted any document translated, official or otherwise, we used to enlist the services of some University graduate—

Mr. MERCIER (St. Henri) (Translation): Or some amanuensis in Montreal.

Mr. PARENT (Translation): —to have that translation done. For years now the translators of the various departments, by dint of constant application and study, have become specialists in the terminology of the subject dealt with in their respective departments. Moreover the professional character of the translators' work has been duly recognized and a technological association founded in Ottawa. Why? For better training of the young men who graduate from our universities and who thus have the inestimable advantage of self-improvement and of specialization along one or more lines, under the guidance of the technological association. The latter is made up of translators who have had years and years of experience in translation work. A number of works have been published, and as time goes on their number will be added to, by translators whose purpose is to acquaint posterity with the fact that to be a translator does not imply the mere understanding of one language or another, or the stringing together of words from one language to another, or the spoken use of one or more languages: the translator must grasp the full meaning of a given text and reproduce in the other tongue the very intention and the thought the given text is meant to convey.

Mr. BARRETTE (Translation): Are you in favour of the status quo?

Mr. PARENT (Translation): Of the status quo, such as it is? Yes. With improvements? Yes; but not along the lines set out in bill 4.

An hon. MEMBER: Hear, hear.

Mr. MERCIER (St. Henri) (Translation): Confounded!

Mr. DUBOIS (Translation): Crushed!

Mr. BOUCHARD (Translation): Amended!

Mr. PARENT (Translation): We must realize, Mr. Speaker, and my hon. friend knows it, that no such change as that suggested in the bill can be undertaken after an experience lasting sixty years: If the centralization of the translation services were at all feasible, the thing would have been done before now. An investigation was held and committees appointed to study the proposed system; in every instance the suggestion was rejected. And with very good reason: If you take every translator in the departments, or ten of them from ten different departments, and throw them together with all their notes and encyclopedias, where will you put them? Will they be grouped in a large class room, as in their school days? Will they all be placed under the watchful eye of the superintendent? No, Mr. Speaker, a translator needs no supervision, because it might happen that being a specialist in certain subjects, he would know more about them than his chief or, as we

often hear, he would know more than his teacher. If all the translators are grouped in the same building, or in the same room, they will not be able to work with the same efficiency as if they were in separate offices, and they will have to work under worse conditions than in the past. Why not leave them in their respective departments where they have access to the other documents essential to the proper interpretation of the texts they will be called upon to translate?

Mr. ST-PERE (Translation): Hear, hear.

Mr. PARENT (Translation): If they are centralized, every time they will need some document a messenger will have to be sent for it. In certain cases, fifteen days may elapse before they get the papers they need. It is impracticable.

Mr. BARRETTE (Translation): That never occurred to any one.

Mr. PARENT (Translation): Lots of things have not occurred to these gentlemen, and if the Secretary of State had taken the trouble of making the slighest investigation—

Mr. BOUCHARD (Translation): If he had known his business.

Mr. PARENT (Translation): —he would have found that the objections raised in this house are sufficient to justify the six months' hoist moved by the honourable member for Ottawa.

Mr. Speaker, as very few members have discussed this bill, I think that I should be allowed more than forty minutes, but I shall conclude my remarks. I have not yet mentioned a group of men who occupy an important place on the "staff" of the official translators.

An hon. MEMBER: Oh.

Mr. PARENT (Translation): My hon. friend has the hiccups.

Mr. MERCIER (Saint-Henri) (Translation): We will have a game of croquet.

Mr. PARENT (Translation): I am speaking of the translators of the House of Commons and of the Senate. In the course of his explanation of the bill, the hon. Secretary of State said that he intends to have a separate branch for the translators of the House of Commons and of the Senate. Why did the sponsor of the bill make that declaration so readily? Because, after listening to the arguments on this point, the Secretary of State came to the conclusion that they are well taken and that the bill will not detach the officials of the House of Commons and of the Senate to place them in a department. Why? The House of Commons and the Senate are two representative bodies created by the British North America Act and their officials are responsible to the two houses and not to a department. That cannot and must not be changed, they are a distinct body under the terms of the British North America Act and they must remain officials of the houses of parliament and not be placed under the Secretary of State.

Mr. CAHAN: What part of the British North America Act is the hon. member referring to?

Mr. PARENT: I am referring to section 133 of the British North America Act by which I say the translators are members of the staffs of both houses of parliament, the Commons and the Senate. They are vested with rights by the spelling of the law of that article of confederation. Therefore I say that it is impossible that a group from the staffs of both houses of parliament should be separated from those staffs and be put under a minister of the crown. There is no staff of the House of Commons or of the Senate that is directed and supervised by a minister of the crown. The staffs are the staffs of the House of Commons and of the Senate.

Mr. CAHAN: But the hon. gentleman knows well that other services of the House of Commons and of the Senate are performed by departments which are under the direction and control of ministers of the crown.

Mr. PARENT: But the minister surely will not put on the same footing the services of the translators because the translators are in a sense the voice of the representatives of the people of the whole country. We are not going to set their service side by side with that of the employees of a department. Certainly not. I absolutely object that the translators of the House of Commons should be considered on the same footing as employees of any staff outside the House or the Senate coming under the Civil Service Act.

Mr. CAHAN: I understand the argument. Thank you.

Mr. PARENT: That is what I wanted to point out.

(Translation): It would greatly decrease the prerogatives of the House and Senate, if the group of officials, placed by the Confederation Act under the two chambers, were removed. We must bear in mind that we represent the people. The hon. ministers opposite, who are held responsible for the ad-

ministration of this country, are aware that these officials translate their speeches. What do they translate? They translate the voice of the representatives of the people, yet, it is the desire to lower their status, to remove them and place them behind a departmental screen known as a Bureau for Translations. I protest. I do so for the honour of my country, on behalf of our fathers who signed the confederation pact. When this act was signed by the representatives of Great Britain and those of Upper and Lower Canada, the spirit of this pact stipulated that both English and French should be on the same footing in both houses of parliament, and that it was an official duty for the translators to translate from one language to the other and vice versa, the words spoken by the representatives of the people in this country. I am absolutely opposed to any steps, being taken to establish a difference between these two languages and lower the standing of this group of translators of the house and senate.

I have just stated, sir, that this bill could not be enacted without doing a grave injustice to certain translators assigned to the translation of the debates of the house. The work is of a special and technical nature more than any other, because the subjects discussed here are more complicated than those met in the correspondence of the various departments. I, therefore, state that parliament would make a mistake in forsaking the authority over the translators and its privileges. There is a restriction embodied in this bill but there is also an open door so that, in the future, this bill may serve as an excuse to say to the French Canadian people: By this bill, you have agreed to a kind of compromise. You had, by virtue of the British North America Act acquired rights, which had been adhered to since 1867. By virtue of this bill No. 4, you have agreed to a kind of compromise, you have agreed to discuss the questions as to the extent of these rights and what they embody I state, sir, that it is untimely to discuss our rights. I shall therefore oppose this bill by voting for the amendment.

Mr. JOHN T. HACKETT (Stanstead): Mr. Speaker, I do not entertain all the fears of the hon. member for Terrebonne (Mr. Parent) in connection with this bill. I have read it carefully and I see in it nothing but an administrative measure. However, it touches one of those topics which arouse the susceptibilities of a substantial group in this house. There are many such topics and several such groups and I need not go further back than the beginning of this session to find an instance where the mention of a subject, however innocently intended, aroused the feeling and support of other groups.

All the arguments for and against the bill have been so broadly canvassed that I do not think I can add very much thereto. However, there is one point to which I should like to address a few remarks. I am vitally interested in good translations and I think that the house as a whole is likewise interested. At the proper time, I should like to see those translators who translate the debates of this house and of the Senate placed on a different footing from the other translators. Nothing is more difficult to translate than colloquial language. It is racy and frequently tinged with slang which, after all, is language in the process of gestation. The translators of the debates of this house and the Senate work under great pressure; they work long hours and cannot during the period of their service enlarge their acquaintance with languages and their evolution. This is necessary to the skilful performance of their task. Men of broad culture and a profound knowledge of both languages are absolutely essential to the proper carrying out of the work of translation. I suggest that it is necessary that these translators should have some leisure in which to cultivate and develop those characteristics so essential to their work. By making the position attractive a higher level of native talent and educational attainment will be secured which will assure to the houses better translators and better translations. It may not be possible to allow these translators six or seven months of inactivity each year but the spirit of the spoken word can be translated into another language only by men who have seized that spirit and who have a knowledge of literature, art and those things which go to make up culture. For these reasons, on behalf of the translators of this house and of the Senate I bespeak special treatment, not for their own benefit, but for the benefit of the translation of those debates which it is their primary duty to translate.

Mr. CHARLES E. FERLAND (Joliette) (Translation): Mr. Speaker, history and tradition teach us that you are invested with extraordinary powers. As a result of a miracle which tradition alone can account for, there are two persons in you. At the one time you are both Speaker and chairman. When at the request of a messenger from the upper house you leave this chamber to lead the honourable members to the Senate, for the purpose of moving the passing of a supply

bill, you are acting as Speaker. You are the "speaker", and you speak on behalf of the house. But on your return to this chamber you cease to be speaker, because you do not speak frequently enough to subsist as such, but you then become the chairman whose duty it is to supervise the proceedings in the house.

Mr. Speaker, were I invested with your powers, endowed with your authority, and had I the opportunity to discharge your duties, I would, I think, order the hon. member for Compton (Mr. Gobeil) to kneel down before the mace, symbol of royal authority, and there seek pardon from the university of Montreal for the insults he directed against that institution. I would also, perhaps, give him a penance, it being lenten time; I would invite him to meditate on the eleventh verse of psalm 32, the psalm of penance, which reads as follows:

> Nolite fieri sicut equus et mulus
> Quibus non est intellectus.
> Be ye not as the horse, or as the mule,
> which have no understanding.

Mr. Speaker, it might seem rather cruel on my part to have joined others who have spoken before me in condemnation of the speech I have referred to in connection with the university of Montreal where I read law. I greatly admire and have great respect for the most dignified, most learned and eminent men who are on the teaching staff of the university of Montreal.

Mr. Speaker, bill No. 4, entitled "An Act concerning the Bureau for Translations" means a complete upsetting of the established system and I place no reliance on it. This is not the only confusion for which the conservative party may be held responsible since it has come into power. Quite an important part of its policy tends to bring about confusion in the old practices under which the people have been content and have prospered in the days of the former regime. It reminds us of an old French ditty according to which good king Dagobert had donned his breeches inside out. In this instance, Mr. Speaker, not only has the government done likewise, but through its nefarious policy, is about to lead this country into a state of chaos. This bill No. 4 is a piece of legislation the results of which we feel to be of a harmful nature, and the honourable member for Nicolet (Mr. Dubois) fittingly pointed that nothing good could be expected to come out of this lump bespattered, with flour.

In the course of a well prepared speech, the hon. Solicitor General (Mr. Dupré) very gracefully danced on a volcano, as he was dealing with this momentous question of the French language in this country. He made a discovery. He found out the bill meant an additional recognition of the rights of the French language in Canada. Commenting section 133 of the constitution, and quoting the opinions of Hon. Senator Belcourt, of everlasting memory, he insinuated and implied that previous to the introduction of that bill No. 4, the French Canadians did not enjoy equal rights in the Dominion, or, in other words, he inferred and implied that our rights were not adequately safeguarded by the British North America Act. Let me in the first place reply to him on that particular point. Section 133 of the constitution to which the hon. gentleman referred reads as follows:

> Either the English or the French language may be used by any person in the debates of the houses of the parliament of Canada and of the houses of the legislature of Quebec; and both those languages shall be used in the respective records and journals of those houses; and either of those languages may be used by any person or in any pleading or process in or issuing from any court of Canada established under this act, and in or from all or any of the courts of Quebec.
>
> The acts of the parliament of Canada and of the legislature of Quebec shall be printed and published in both those languages.

Personally, I have not the slightest doubt but that, according to both the spirit and the letter of the constitution, the two languages, in parliament and in the legislature of Quebec, as well as in the courts of Quebec, are on an equal footing in Canada.

The hon. the Solicitor General has mentioned two rules of this house, the one making it compulsory to read the motions in both languages, and the other, to translate all bills in both the official languages as well.

He also intimated that these two sections were sanctioning rights in some cases, which they are referring to. Well, the hon. Solicitor General, since he saw fit to admit that the only rights established by the constitution in favour of the French language come from section 133, could have added that not only Hon. Senator Belcourt never contended that English and French had not equal rights, but that he devoted his life—and what a life of sacrifices, devotion and patriotism—to claiming equal rights for the French language, not as a charity, but in virtue of the constitution and as a matter of equity, and also to claiming freedom of speech to allow one to express himself in both languages, which freedom was sanctioned by the spirit and the letter of the Constitutional Act.

Mr. DUPRE (Translation): Will my hon. friend allow me to interrupt him? I would

not like him to attribute to me words that I never uttered. I never said or intimated that we had not equal rights. On the contrary, we have equal rights in this country.

Mr. FERLAND (Translation): Mr. Speaker, I am pleased to make note of the Solicitor General's admission—

Mr. DUPRE (Translation): Nobody contends that we have not equal rights.

Mr. FERLAND (Translation): —which admission is after all in conformity with the traditions of all French Canadians, as regards the constitution and its interpretation. But if we enjoy equal rights in this country and in all departments of the government, so far as the French language is concerned, if we have a right to have our public documents and reports published in French, if we have all these rights, why does the Solicitor General say that this new act is a remedial measure which implements a previous legislation, namely section 133 of the constitutional act? Is it not an intimation, as some hon. member said before him, that we have not equal rights, since we must have a new legislation to implement the previous one? But is this bill actually a remedial measure? Last evening the hon. Solicitor General said so. He said: Under section 3 of Bill No. 4, the government hereafter will be compelled to translate all proceedings, documents, reports and papers mentioned in that section. I say no. The bill does not go as far as that. I think the Solicitor General gives a wrong interpretation of the act.

Let us see what the bill says in section 3:

> There shall be a bureau under the minister, to be called the Bureau of Translations, the duties and function of which shall be to collaborate . . . in making and revising all translations from one language into another of all departmental and other reports.

This means that hereafter the bureau of translation will be centralized in a building and shall contribute to the translation from one language into another, of all documents or of any documents. But the bill does not go farther than that.

Did not the hon. member for Stanstead (Mr. Hackett), who has just resumed his seat, state a moment ago that there was nothing else in this bill than a mere question of administration? It is obvious that there is no sanction of rights which we did not possess previously. Why make such statements to the people of this country? Why prepare electoral literature which will allow them to say in the next election: We have gone a step forward with regard to the French language; we have won a splendid victory, and God knows, at the cost of great hardship and painstaking. Our leader, the Prime Minister, had stated last year that Canada was not a bilingual country. Our leader, the Prime Minister, had stated—

Mr. GAGNON (Translation): May I ask my hon. friend a question?

Mr. FERLAND (Translation): Let me finish my sentence and then you may ask one.

If we believe the statement of the hon. member for Montmagny (Mr. LaVergne), deputy speaker of the house, our leader, the Prime Minister threatened to resign last year if we voted for bilingual currency; and we French Canadian Conservatives of Quebec, we won a splendid victory; we have provided in the statutes that hereafter the government will be compelled to translate in French all parliamentary documents, all departmental reports, when at present there are in the Department of Interior 185 documents dealing with natural resources that are not translated into French, 37 very important ones in the Department of Agriculture that are not translated into French, and more than fifty per cent of the documents in other departments which are distributed to the public only in English.

This bill, a victory? No, it is not a victory. But if it is sought to interpret it in that way, I say any such claim is pure camouflage. Indeed, I defy the hon. Secretary of State to maintain that this bill means that in future the government will be obliged to have all the documents of the various departments translated. I defy the Prime Minister to so state on the floor of this house. I defy the hon. Solicitor General, as also the hon. Minister of Marine (Mr. Duranleau)—two of my friends and two of my distinguished colleagues at the bar of the province of Quebec—to move an amendment to the bill specifying in black and white that in future all documents mentioned in section 3 must be and shall be translated into the French tongue. I repeat that I defy them to so move; I know they will never propose any such amendment, because section 3 cannot be interpreted in that way and the government would not accept any such measure.

Now you may ask your question if you wish.

Mr. GAGNON (Translation): I wanted to ask my hon. friend from Joliette to say when and where the right hon. Prime Minister—who is absent to-day, and my hon. friend knows he is absent—stated that he was opposed to bilingualism in Canada.

An hon. MEMBER (Translation): He is absent; but he is well represented by the hon. member for Dorchester (Mr. Gagnon).

Mr. CHEVRIER (Translation): Ask him to deny that he said it.

Mr. FERLAND (Translation): Mr. Speaker, if the question interests my learned friend I shall obtain the quotation for him; I haven't it at hand just now. I refer him to the French speaking members of the press gallery and to the general opinion throughout the province of Quebec, where it is held that he made the statement.

Mr. LAFLECHE (Translation): That is not an answer.

Mr. FERLAND (Translation): And I shall bring him also a declaration by the Prime Minister of the love he bore Sir Wilfrid Laurier, in days gone by, when the Riel question was a burning one in the west.

The hon. Solicitor General attempts to convince the country that the government is doing us a favour or presenting us with a gift. It is evident that if by the terms of this bill the government were to be obliged to have French translations made of all documents, whatever their nature, that would be a genuine victory, a privilege, a gift; but until it be so written in the bill, until a responsible English speaking member of the government so declares, until we are given some definite assurance, I say that I refuse to believe it.

Mr. CAHAN: The hon. gentleman has been defying those on this side of the house to state this and state that. What I say to him is that this bill provides for the translation into French and English of all official documents of general import. There may be private documents that will not be and never have been translated.

Mr. FERLAND: Why does the minister not insert that provision very clearly in the bill, if it means that in future the government will be obliged to have a translation made of all documents mentioned in section 3?

Mr. CAHAN: I thought the bill as drafted carried with it the implication that official documents are to be translated. Of course there are in the departments certain documents in English or in French which relate to the ordinary daily intercourse between officials of departments, and which are more or less private; in such cases translation is not necessary. But I am dealing with official documents published in connection with the administration of federal affairs.

[Mr. Gagnon.]

Mr. FERLAND (Translation): Mr. Speaker, this bill, in my opinion, and according to the interpretation made of it by the French press of the country, does not imply that in future all documents will be translated into French. All the bill says is this: all official documents translated will in future be translated in the bureau instead of in the different departments. In other words, not only does the bill offer no guarantee for the French language, but the French language is not even mentioned; it is reduced to the same status as Chinese, Arabian or Russian. We must have translators of foreign extraction. Under the bill such translators will be on the same footing as the other translators. I say that this bill not only does not grant any new privileges or additional guarantees to the French tongue, but that it reduces French to the same status as foreign languages, which would please a certain number of English fanatics in this country—I am alluding to no one in this House of Commons—certain narrow-minded people who are forever claiming that we, of French Canada, have no more rights in this country than the Chinese or the Poles.

Mr. DUPRE (Translation): Those are unfortunate words, not at all helpful to the present cause.

Mr. FERLAND (Translation): Mr. Speaker, apparently the hon. Solicitor General notes a lack of skill on my part. Alas, genius is not a boon of daily occurrence. But I am under the impression that he went the wrong way about this matter.

I do not want the impression to be carried abroad that this diffuse, obscure and indefinite bill means that all public documents shall be translated, when no particular section of the bill says so, and when all presumptions are to the contrary. In fact, what have been the arguments brought forward in favour of the present bill? Is there a single word in the bill to the effect that the French language shall have better consideration? Not one.

Let us read the explanatory notes. Briefly, they state that the object of the bill is to ensure more efficiency in the translation and a saving of public funds. How can you reconcile this idea of saving with the prediction of the hon. Solicitor General that we shall have a French translation of hundreds of documents formerly published exclusively in English? Considerable amounts shall then be spent in the name of economy. But who shall profit from those economies? Surely not our French speaking compatriots. In fact, Mr. Speaker, we know that this bill does not apply to one single

English translator. We know also that, with the exception of a few translators of foreign languages, the majority of translators are French-Canadians. They are the ones who are concerned in the present bill. Then, who shall have to carry the burden of this measure of economy if not our French-speaking compatriots? Why look for insignificant savings at the expense of French-Canadians when we know that for years, if not for generations, we have never had in the different departments and in the public service the proper share of representation to which we are entitled by reason of our situation and of our numbers? Why stop at such ludicrous savings? For the last two years, the government has been spending millions for all kinds of works. Why, in the name of economy, make an attack upon three millions of French-Canadian citizens?

Mr. Speaker, I can see in this bill no guarantee that the rights of the French language will be safeguarded. It should never have been introduced in this house and should not be passed. If our hon. friends wish to be sincere, it is easy to come to an agreement. Let them be generous and add to this bill just two or three words to the effect that, in the future, all documents shall be translated into French, instead of deceiving us with words, and using language which might be interpreted one way in one province and differently in another province.

I think, Mr. Speaker, that the people of Quebec will understand the situation made for our compatriots who shall witness the abolition of a certain number of positions of translators for the sake of economy.

Mr. Speaker, one of the objects of this bill is efficiency in the public service. It has been said that the translators are not qualified and, as an example, three so-called wrong translations of words have been quoted: "incomber," "auditeur général," and "orateur" to designate the Speaker of the House of Commons. I shall establish that those three expressions are conformed to tradition, to our parliamentary usage, to the rules, to the genius of the language and to the best dictionaries. The words "It is the duty of," in subsection 2, of paragraph 3, have been translated by "il incombe." It has been contended that it is not a good translation. I am of the opinion that it is excellent translation, as a matter of fact, it is the most elegant. Let us look at the dictionaries; we shall see that this expression has received the seal of the French Academy. Mr. Speaker, could there be a higher authority than the French Academy? "Incombe," according to the dictionary of the French Academy, vol. 2, p, 22, is said of a function, of a duty imposed upon a person, of a responsibility which falls upon some one.

In the bill, it is said that the department or the officers shall have the duty to do such or such a thing.

Incomber, v.n.—Il se dit en parlant d'une charge, d'un devoir imposé à quelqu'un, d'une responsabilité qui retombe sur lui.

(Dictionnaire de l'Académie française, II, p. 22).

Incomber, v.n.—Etre imposé. (Dictionnaire Hatzfeld et Darmesteter).

Incomber, v.n.—Etre imposé, en parlant d'une charge, d'un devoir. "C'est à moi que ce devoir incombe." (Littré.)

Incomber, v.n.—S'emploie quelquefois dans le langage ordinaire, en parlant d'une charge, d'une responsabilité, d'un devoir qui est imposé à quelqu'un, qui est au nombre de ses obligations. (Bescherelle.)

Incomber, v.n.—Etre imposé, revenir comme une obligation, "Les devoirs qui nous incombent." (Larousse.)

Incomber, v.n.—Se dit d'une charge, d'un devoir, d'une responsabilité. "Il s'effraya de la lourde charge qui lui incombait." (Paul Guérin, "Dictionnaire des dictionnaires.")

Incomber: to be the duty of . . . (Hamilton et Legros, "Dictionnaire international français-anglais.")

Incomber: to be the duty (of) . . . (Clifton et Grimaux, "Dictionnaire français-anglais.")

I now come to the translation of the word "auditeur général." Father Lejeune, who has enriched the spiritual inheritage of our people with a work entitled "Dictionnaire général du Canada" authorizes the use of the expression "auditeur général," as being the exact and correct translation of auditor general. Our compatriot Pierre Daviault, a translator on the staff of the House of Commons, in a volume entitled "Questions de langage" at pages 26 and 27 expresses himself thus:

Auditor General—Auditeur general—The etymology of the word "auditeur" dates back to the period when accounts were, in practice, so complicated that, at the "cour des comptes" there were young members specially appointed to note the numbers and figures called out, then to repeat them, saying: "Audivi."

Whence the name "auditeur" which has remained with them and which has become synonymous to "vérificateur" in France. The "Cour des comptes" comprises, to-day, twenty-seven auditors.

May we add to this definition that the word "auditeur" is in use only in the administration of a state, and, in Canada, only to translate "Auditor General. " In the commercial vocabulary "auditor" is translated by "vérificateur." In certain cases, "apurateurs, contrôleur, censeur" may be used.

Dictionnaire financier, international, théorique et pratique of Mr. A. Méliot, fourth edition, Berger-Levrault, editors, Paris, 1912, page 305.

Censeur, Censure—La censure—namely the auditing of accounts—is done by auditors known as "censeurs, commissaires des comptes ou auditeurs," just as they still are known at the "Cour des comptes." The etymology of

this work dates back to the period when accounts were, in practice, so complicated that there were young members specially appointed to note numbers or figures called out, then to repeat them, saying: "Audivi," I heard. Whence the name "auditeurs" which has remained with them and has become almost synonymous to auditor, in England as well as in France.

I shall now take up the translation of your title, Mr. Speaker; it is the most important word: "Orateur." I again quote an excerpt of the same work by Mr. Pierre Daviault, a remarkable work which I advise all who wish to polish their language to read:

Speaker.—In all British countries, the president of the House of Commons, is known as "The Speaker." Humourists add that he is so called because he never speaks. It is a jest not only out of fashion but untrue. The Speaker is the person who addresses the King or his representative, on behalf of the Commons. He is the spokesman (porte-parole) of the lower chamber.

How is this word to be translated? In the common parlance. there is no hesitation: "président" fits in well.

But. in the official language? Let us bear in mind that the Speaker does not entirely fulfil the duties of a president, in the ordinary sense of the word. The administration staff of the house have adopted "Orateur" from the very first days of confederation; if I am not mistaken (65 years! that counts in the life of a young country). Such a venerable tradition should compel us to use "Orateur" without protest. However, many dislike the word. A number of persons contend that it should be strictly translated by president or that we should designate him as "Speaker." The Speaker is appointed for the entire parliament. He is the mouthpiece of the house. Whence his title of Speaker (Orateur) ...

Maurel Dupeyré in "les Usages du Parlement anglais," quoted by Eugène Pierre "Traité du Droit politique" page 496.

In "Larousse" a dictionary which is in the hands of all primary school children, to the word "Orateur" we find: "Orateur": see Speaker.

And to the word Speaker: Speaker (pronounced "spikeur." English word from to speak "parler"), masculin noun, president of House of Commons in England. The Speaker has his quarters in the Palace at Westminster.

James Alexander Manning, in his work entitled "Speakers of the House of Commons" and published in 1850, says:

Sir Thomas Hungerford one of the Knights of the Shire for Wilts, styled in the Parliament Rolls: "Monsieur Thomas de Hungerford, chevalier, qui avait les paroles pur les communes d'Angleterre en cest Parliament (Rolls of Parliament 51 Ed. 3 Anno 1377 No. 87).

As one may judge the translation dates far back. Therefore, briefly, sir, "Orateur" and "Auditeur général" have been officially adopted in Canada since confederation. It is to be found in the statutes and all official documents. It is certainly not the task of translators to alter it. Moreover, they are French words, as many examples prove it. It is possible that some dislike it. However, for a personal preference, not founded on unquestionable reasons, can one censure and charge the translators of inefficiency?

Before resuming my seat, I wish to pay due credit to the efficiency of the translators, more particularly to the parliamentary translators with whom I am more acquainted. It is incontestable that the translation, in our parliament, is done very speedily. The speech which I am now delivering will be translated to-morrow sent to the King's Printer, printed, the proofs read and in two or three days I shall have the translation on my desk. Can one imagine a more perfect or efficient system, sir,? Of course, perfection does not exist on earth. There is perhaps only one perfect man in this house. There are most likely only those angels known as women, who are, relatively speaking, perfect in this country. In this genleman's club there is very likely but one woman to whom the appellation may be given and who enjoys, may I say, the distinction of nearing perfection, but there is no such a thing as perfection throughout Canada. Therefore, if perfection is to be found nowhere, one must admit that incompetency does not exist amongst the translators, who are all men of great knowledge, for the greater part well possessed of the genius of Shakespeare's tongue as well of that of Racine, familiar to the utmost with the contents of dictionaries and capable of turning out translation to a degree of expertness such as to elicit praise as in the case of translations which I once happened to submit to a member of the bar in Ontario, a man of high standing in his profession and one of the best read men in English Canada. Speaking for instance of a translation made by a Mr. Vallières, he declared it to be beyond reproach, that it could not be improved upon by either the addition or elimination of a single word, that the language used was of great purity, the technical terms most appropriate and that, in short, every thing was expressed in a most elegant style.

Mr. Speaker, before I conclude my remarks, I wish to state that when taking this position in connection with the bill now under discussion, I am in excellent company. In fact, I am in agreement with the distinguished representatives of the French press in this house, and my opinion also is in harmony with that of the French speaking members of this house, whether they be on the Conservative or Liberal side, as to the construction to be placed on the British North

America Act. My views also concur with those of the French Educational Association of Ontario, an organization the membership of which includes men of high standing and in which the hon. member for Ottawa (Mr. Chevrier) is the leading figure.

The French Educational Association of Ontario is the guardian, so to speak, of the rights of the French language both in Ontario and in parliament. Under date of March 2, 1934, the following letter was sent by that body to the Secretary of State:

Honourable Minister,

I am instructed by the executive committee of the French Educational Association of Ontario to express to you their strong opposition to the bill respecting the bureau for translations, the second reading of which was moved by you, a few days ago, in the House of Commons.

Judging from the explanatory notes of the bill as well as from further indications given by yourself to the house, the object of the proposed legislation is to add to the efficiency and usefulness of the translation departments as well as to lower the costs in connection therewith.

It is not within our purview to say whether the legislation, even if faultlessly applied, will really achieve that three-fold purpose, but it is permissible to entertain some doubts as to the results hoped for by its promoters, considering the arguments put forward in the house against the bill, the opposition of the deputy-heads of the different departments in the public service as well as the evidence adduced by persons fully conversant with the difficulties involved in the translation from one language to the other.

Apart of this, the proposed legislation gives rise to serious objections:

(a) Contrary to what has been claimed by some, the bill does not confer to the French language any right in addition to those already provided for by the constitution; it rather tends to limit those rights in removing the bilingual character of the organized services in each department, and in putting the French language on the same footing as the foreign languages in the Dominion civil service;

(b) It confers to the minister, or to whomever may be entrusted with the administration of the bill, the right to transfer to the new central bureau the translators of the different departments, and as a result, provides for the eventual wiping out of the translating staffs of such departments. The outcome would be a lowering of the French prestige in those departments and an encouragement of the practice constantly increasing in certain sections of the dominion administration whereby official business is only transacted in the English language, even when dealing with the province of Quebec;

(c) It places under the jurisdiction of the Civil Service Commission, the translating staffs, including the present and future heads in that branch of the service, thus depriving many French-speaking officials of their rights to promotion to higher positions in their respective departments, rights which they are enjoying under the present system;

(d) It does not follow the practice in force in countries with two or more official languages and where the rights and privileges of the minority are respected by the majority, particularly in Belgium and in Switzerland; the present system applied at the present time to the Dominion translating services is based on the report submitted in 1911 to the government by Mr. Achille Fréchette on the efficiency of the translation branches existing in the above mentioned countries;

(e) It is met with open opposition on the part of the deputy-heads of every department, and is in contradiction with the report of the Sellar committee appointed in 1932 by this government. It is also opposed by the higher officials of the House of Commons, and of the Senate; by the officials concerned, by the majority of French-speaking members, by many English-speaking members, by practically the entire French press, by every important French organization or association in Canada, and lastly by nearly the whole French population of the country;

(f) No case was made to show that the defects complained of are attributable to the existing system and in our opinion the proposed legislation is not the only way in which the various translation services can be made more efficient, more productive and less costly.

Therefore, we regret being compelled to register, on behalf of the French-Canadian population of Ontario, our strong protest against the passing of the proposed bill respecting the translators.

With the assurance of our most respectful consideration, honourable minister, we beg to remain,

Sincerely yours,

L'Association Canadienne-Française d'éducation d'Ontario,

(Signed) Edmond Cloutier,
Secrétaire.

Ottawa, 2nd March, 1934.

Mr. CAHAN: On a point of order, Mr. Speaker, the hon. gentleman is reading what purports to be, if I followed him correctly, a personal letter addressed to me.

An hon. MEMBER: No, no.

Mr. CAHAN: This letter certainly should be laid upon the table of the house where I may have access to it and an opportunity to reply.

Mr. CHEVRIER: May I say, on the point of order, that not only did I receive a copy of that letter but that a large number of hon. members of this house have also received it.

Mr. CAHAN: Well, I think I have a right under the practice of this house to have the original laid on the table where I may have access to it.

Mr. FERLAND (Translation): Mr. Speaker, I beg to lay the letter on the table of the house.

Mr. BEAUBIEN: Every French member of this house has been circularized.

Mr. CAHAN: Well, I assure the house I do not remember seeing it, although it was addressed to me, therefore I ask that it be laid on the table.

The ACTING SPEAKER (Mr. Gobeil): The letter is now filed.

Mr. CAHAN: I understand then that the hon. gentleman will table a copy?

Mr. FERLAND: This is a copy.

Mr. MERCIER (St. Henri): He has acceded to your demand.

The ACTING SPEAKER (Mr. Gobeil): A copy is on the table.

Mr. ONESIME GAGNON (Dorchester): Mr. Speaker, after having heard the elaborate and conclusive speeches of the hon. Secretary of State (Mr. Cahan) and the hon. member for Labelle (Mr. Bourassa) I did not think it would be necessary to discuss at any great length the bill relating to the translations bureau. It seems so apparent to all those who have studied the bill and heard the admirable presentation of his case by the Secretary of State that the proposed legislation consists essentially in the improvement of the work of translation and thereby the maintenance of the rights of the French language in all matters pertaining to departmental administration. The eloquent speech of my hon. friend from Labelle demonstrated beyond any shadow of doubt that the regrettable campaign conducted against the government in the Liberal press, and, I am sorry to say, in some independent newspapers circulating among the French population of Canada, is uncalled for, unjust and unfounded. This unjustified opposition is discouraging not only to those French Canadians who sincerely believe that in voting for this bill they fulfil their duty towards their race in securing the improvement of the status of the French language in parliamentary business, but also to all broadminded, just, courageous and enlightened English-speaking members such as the Secretary of State, who perhaps more than any of his compatriots of his own generation has seized every opportunity to show his sincere sympathy and appreciation of the French race and the French language and the rights of minorities.

Those who heard the masterful defence of this bill last night by the Solicitor General (Mr. Dupré), and who remember his clear, well presented and unanswerable arguments will see, I hope, their apprehensions dispelled. But hon. gentlemen opposite persist in following the tactics adopted by their board of strategy and attack the bill on the ground that it unnecessarily persecutes the translators and may destroy the efficiency of translation. Briefly they insinuate that in voting for this bill we are unfaithful to our duties, our race and our language. The speech of the hon. member who just resumed his seat is an illustration of the narrow and partisan view some hon. gentlemen opposite have adopted towards this beneficial legislation.

Mr. CHEVRIER: I rise to a point of order. I do not think the hon. gentleman has any right to impute partisan motives to any hon. member on this or the other side of the house.

Mr. GAGNON: I did not impute motives at all; I said the speech and the arguments used by the last speaker illustrated the narrow view taken by some hon. gentlemen opposite. I have a sincere regard and a great sympathy for the hon. member for Joliette (Mr. Ferland); I think he is a nice gentleman.

Mr. CHEVRIER: I ask for a ruling on my point of order, Mr. Speaker.

Mr. GAGNON: I like the hon. member for Joliette, and I am sure he will regret—

Mr. MERCIER (St. Henri): A point of order has been raised by the hon. member for Ottawa (Mr. Chevrier), and he has asked for a decision.

The ACTING SPEAKER (Mr. Gobeil): I do not see any imputation of political motives in the remarks of the hon. gentleman.

Mr. GAGNON: I like the hon. member for Joliette, and I am sure he will regret having intimated that the Prime Minister said, either last year or this year, that he was opposed to the rights enjoyed by the French language in Canada. I am sure no one can challenge my statement when I say that if anyone, inside or outside of this house, ever intimated that the Prime Minister has said that he is against the French language, this gentleman, be he a member of parliament or be he not, has uttered an absurd and infamous lie.

Let us approach this legislation with an unprejudiced mind; let us discuss it as calmly and as coolly as possible. The hon. member for Kamouraska (Mr. Bouchard), whom I am pleased to congratulate on his remarkable progress as an English speaking debater, said he was surprised that no French speaking member on this side of the house had risen to defend this bill. The hon. gentleman was quite right; we were purposely silent during the first two days of the discussion of the bill. We were anxious to see if hon. gentle-

men opposite would have the audacity to pretend that they are better patriots and better serviteurs de la pensée française than the hon. member for Labelle (Mr. Bourassa).

Mr. BOUCHARD: Has the hon. gentleman a monopoly of that?

Mr. GAGNON: No, I never pretended to have a monopoly of it, but hon. gentlemen opposite have pretended to have a monopoly of patriotism. I do not hesitate to say, Mr. Speaker, that, at first, the French Conservative members of this house were alarmed when this bill was introduced. This legislation took us by surprise, and the translators complained bitterly. Before the session opened we had not heard that any such bill was being drafted, and when we read the arguments against the bill coming from certain quarters and appearing in some French newspapers we did what might reasonably be expected of members of parliament; we thought over the whole problem, studied the proposed legislation carefully and compared it with the provisions of article 133 of the British North America Act. We discussed the bill among ourselves and with our ministers; we met some translators and heard their views. Then we forwarded to the Secretary of State (Mr. Cahan) a memorandum in which we expressed our opinions and requested that the bill be sent to a special select committee in order that all interested parties might appear and defend their rights, and in order that the whole problem might be fully investigated and studied. We did not do what has been done this afternoon and on previous occasions; we did not rise in our places and read copies of letters which have not been seen by the Secretary of State. We asked that by all means the translations be kept as efficient as possible and that French translators should not be discriminated against in any shape or form. Unmindful of the campaign of insinuation and slander that was being launched in some quarters, we arranged to meet the Secretary of State, and we asked some translators to submit their views to us. It is true, sir, that we did not ask the views of the translators who apparently are leading the opposition to this bill and who have supplied our Liberal strategists with the arguments with which they think this bill should be met.

Mr. BOUCHARD: Would the hon. gentleman be kind enough to tell me the names of one or two of the translators who were interviewed, so that we may judge as to whether or not they were competent?

Mr. GAGNON: That question certainly is not worthy of my hon. friend; he cannot expect that I will give any names, but he need only look to the galleries of the house to see what is going on. Finally we became firmly convinced that there is nothing in this bill which in the slightest degree is unfair or unjust to the translators. On the other hand it brings about a great improvement over the existing situation with regard to translations not only in the House of Commons and the Senate but in the different departments of the federal administration as well.

I am very glad, sir, that the French Conservative members of this house have been able to help the translators instead of doing as some hon. gentlemen opposite have done and spreading through the province of Quebec the idea that the government was attempting to destroy and abolish the rights of the French language by creating a bureau for translations. The hon. member for Maisonneuve (Mr. Jean), raised the constitutional issue. Of course that might be expected, but I say to him that if he had listened carefully to the speech of the Secretary of State in moving the second reading of this bill he would have noticed that the minister mentioned that it was intended to organize two branches of translators in this bureau. One branch will comprise the translators of the House of Commons and the Senate while the other branch will include the translators of the different departments. This creation of two distinct branches is not set out in the bill, but I sincerely congratulate the Secretary of State upon having decided to keep the translators of the House of Commons and the Senate under one administration while the translators of the different departments are to be under another. I do not pretend, Mr. Speaker, that this amelioration of the bill is due only to the efforts of the French speaking Conservative members of the house. No; other gentlemen whom hon. gentlemen opposite attack slyly have proven to be true friends of translators and have constantly defended the sound principle that the House of Commons ought not to abandon the control over its own officers.

Mr. VENIOT: The hon. member has no right to accuse hon. members opposite of attacking gentlemen slyly. He has no right to do it, and I demand that he withdraw the statement.

Mr. GAGNON: I shall abide by your ruling, Mr. Speaker. When very often in this house I hear attacks made by hon. gentlemen

opposite against people who cannot defend themselves, for instance against the Clerk of the House, I say that such attacks are unworthy and are not courageous.

Mr. VENIOT: The hon. member should not say attacks are "unworthy." He has used two expressions which are unparliamentary and I demand a ruling upon them. We are waiting for a ruling.

Mr. GAGNON: Now,—

Mr. VENIOT: Mr. Speaker, what is your ruling? The hon. member has no right to proceed until a ruling is given.

The ACTING SPEAKER (Mr. Gobeil): To what rule does the hon. member refer?

Mr. MERCIER (St. Henri): It is in the book.

The ACTING SPEAKER (Mr. Gobeil): It may take some time.

Mr. GAGNON: In order to save time, Mr. Speaker, I shall withdraw the expressions which have displeased the house.

Coming to the merits of the bill, is it necessary that I should repeat the arguments used so eloquently by the Secretary of State, the hon. member for Labelle or the hon. Solicitor General? Hon. gentlemen opposite who have spoken against the bill have delivered very interesting lectures about translations, and about what they ought or ought not to be. But do hon. gentlemen opposite sincerely believe that hon. members on this side of the house are ignorant of the great difficulties in connection with the science of translation? Do they believe, seriously, that we remain indifferent to the future of translators who are in almost daily contact with hon. gentlemen of this house? What advantage would there be in our approving of the proposed legislation if we were not seriously convinced that it constitutes a great improvement and will not be at all harmful to the work of translation?

It has been said, and I repeat emphatically, that the object of the bill is, mainly, to ensure that French copies of all documents, reports of departments, reports of proceedings of this house and reports of commissions submitted to the government or to parliament, be printed, published and delivered to the public at the same time as the printing and distribution of English copies. If such laudable results were to be obtained, I ask you sincerely, Mr. Speaker, if they would not constitute a great improvement upon the existing practice. Must we not consider with a sympathetic mind a bill which contemplates such happy consequences?

I regret sincerely that a few minutes ago the hon. member for Joliette said that by this legislation the French language was not more protected than were the Chinese and Japanese languages. Surely the hon. gentleman has not read the bill very attentively, because if he had read section 4 at lines 6, 7 and 8 he would have found that the only two languages which are expressly mentioned are English and French. If, sir, the French language is expressly mentioned, and if it is provided that documents in French shall be translated into English, or vice versa, I believe it is unfair and unjust to say that the French language is not more protected than are the Chinese and Japanese languages.

For the last fifty years I have been curious enough to study the Hansard of the House of Commons, and I have found some very interesting details with respect to translation. Some of these details of course are well known to all hon. members. Nevertheless I shall quote what I have found in order to prove that the situation has not improved very greatly upon the condition which existed fifty years ago. One of the first protests lodged about the delay in the production of French papers and documents was made by the Hon. T. C. Casgrain who is reported in Hansard for the year 1898 as follows:

> I do not think that the French version of the debates has yet been published. It had not been some time ago. The English version was received on the first days of this session.

I find that one of my predecessors in the county of Dorchester, Mr. J. B. Morin, on May 6, 1902, spoke in connection with this matter; and he is reported in Hansard for 1902, volume 2, page 4354, as follows:

> I would like to know why it is that the Hansard printed in French is too late in being distributed to the members. I only see the French Hansard ten or twelve days after the speeches have been delivered, and during the recess I do not receive it for four or five months. I do not see why it should not be sent to us in a couple of weeks at least. I was down there a couple of weeks ago to see if there were any printed in French, and was told that they would not be ready for four or five months. If they are not ready for four or five months is it any use to have them at all. When we come here at the beginning of the session we cannot get a French report of any kind.

In 1906 the Hon. T. C. Casgrain complained again, and is reported in Hansard of 1906, volume 2, page 3323 as follows:

> Although a number of bills are on the order paper for second time, they are not printed in French. I do not wish to put any obstacle in the way seeing that the session is well advanced, however, I do not want this to be a precedent.

In a debate in this House of Commons in 1907 the hon. member for Labelle, the same hon. member who represents Labelle to-day, is reported in Hansard of 1906-07, volume 2, page 3663, as follows:

The ground of complaint is that though the quality of both languages has been conceded by all governments and by the house, the French translation department is treated as an unimportant department. If we had an adequate number of translators for the work of translating both the debates of the house and bills and other documents published under the authority of this parliament, there would not be any such delays.

And then, later on:

We receive letters almost every day from our constituents asking us when they can get a certain document in French. The French version of the debates are often from two to three weeks behind, and those of bills and other public documents are often a month or more. I have known of a delay of six months before we could get the French translations of certain public documents. Almost every year there is an extraordinary case. For example, the records of committees of this house have to be translated and printed.

I will be fair enough to admit that in 1910 Sir Wilfrid Laurier was alive to the situation and saw that the question of translation was discussed before a special committee of this house. A committee studied the matter, following which Mr. Frechette, to whose report reference has been made by hon. gentlemen opposite, was sent abroad in order to study the matter. The committee of 1910 studied the matter of centralization of translation, but as Mr. Frechette reported in the negative no action was taken. I have quoted the extracts from Hansard to show that notwithstanding complaints which had been sent by public bodies, by French newspapers and by many public corporations in the province of Quebec and elsewhere we are not much more advanced than we were forty or fifty years ago. Of course, there have been some slight improvements with respect to the translation of debates of the house. With respect to the translation of documents of departments the situation is still so imperfect that French translations of committee reports and reports of departments are sometimes published six months and more after the issue of the English copies. Is it not imperative, sir, I seriously ask you, that appropriate measures should be taken to achieve a considerable and definite improvement? The proposed bill will put a stop to such an undesirable state of things. When this bill becomes law the members of parliament who have done nothing during the long years of parliament to improve the situation, and who may have been tempted or are now tempted sometimes, no matter to which political party they belong, to make political capital out of the late production of French translations must admit that when the French copies are delivered at the same time as the English copies the whole of our French population will be very much better satisfied and will be grateful to members of parliament for this new legislation. There is no doubt, I humbly submit, that this bill ought to receive the unanimous support of all the French members of this house irrespective of party affiliations.

The hon. member for Ottawa (Mr. Chevrier) and the hon. member for Nicolet (Mr. Dubois), for whom I have a great admiration, have spoken of the disapproval of this legislation by a certain number of French newspapers of Quebec and Ontario. That is unfortunately true, but after having read all these articles carefully we cannot do other than draw the conclusion that the writers have been unduly apprehensive or that they have been misled by some of the translators or their friends. They argue as if it were true that the translators would be dismissed or their numbers considerably lessened on the passing of this bill. I sincerely believe that with the new bureau for translations in operation the number of translators will have to be increased instead of being decreased. The economy that the government is endeavouring to bring about does not consist in the reduction of salaries of translators or in their retirement or dismissal, but in the stopping of that obnoxious and ridiculous practice of having two, and sometimes three or four galley proofs prepared before the typewritten document is finally printed and published. The Secretary of State has said, and has not been contradicted, that last year $75,000 was misspent in the revising, resetting and reprinting of documents which should have been corrected, not on the printer's galley proof, but on the typewritten document written by the translators.

Mr. VENIOT: The hon. gentleman has made reference to the amount that it costs for the correction of galley proofs of the French translations. Does he know how much it costs for the correction of the English galley proofs?

Mr. GAGNON: The hon. gentleman cannot expect that I can answer a question like that. He has only to read the speech of the Secretary of State where he will find all the details set out.

Mr. VENIOT: He did not refer to that.

Mr. GAGNON: Is it not true that more translators could be employed if we could save $75,000 a year and bring about the reforms that we ask for. The attitude of the men at the printing bureau who are fathers of families and are receiving small wages compared with the translators ought to interest parliament as much as the attitude of the translators. The Secretary of State has explained that because the service of translation is improperly and imperfectly organized he has been obliged to dispense with many French-Canadian printers who in December last had no means to pay for food, fuel and shelter. The creation of the new bureau will enable the government to economize and keep these people in their jobs. Need I recall to hon. gentlemen opposite that printers of French are French-Canadians just as much as the translators of this house or of the departments? The poor printers may be less learned in the sciences than the translators. They may have fewer friends among the newspaper men, because a great number of the translators are old journalists, but on the other hand I respectfully submit that the case of the poor printers is just as deserving of sympathy as that of any other civil servant who painfully and honestly performs his duty and earns his daily bread.

The hon. member for Sherbrooke (Mr. Howard) has given a somewhat exaggerated picture of the operations of the proposed bureau. Speaking at page 1021 of Hansard he said:

> Suppose this department is organized and a head is appointed to supervise all translations coming therefrom. The Secretary of State has a document to be translated and he calls up the bureau for translations and asks for a man. Possibly the subject relates to agriculture, and of course the bureau, following railroad rules, first in first out, in order to divide up the work, so that no one will be overloaded and everyone will have the same proportion, sends out a man who probably has taken two years at university in the study of medicine. This man knows all the medical terms, and he is called upon to translate something relating entirely to agriculture. There will certainly be a good many technical terms quite unknown to him, and he accordingly produces an erroneous translation. What will be the state of affairs if the minister happens to be a gentleman who is acquainted with one language only? Vice sersa, suppose the Minister of Health calls for a translator to give him a translation of something dealing with medical questions. He calls up the bureau and as translators 5, 6 and 7 are out, No. 8 is assigned to this work. He is quite familiar with agricultural terms but he knows nothing whatever about the terms used in medicine. Could anything be more ridiculous?

[Mr. Veniot.]

Does the hon. member for Sherbrooke seriously believe that the bureau for translations will function in the ridiculous way which he described in a rather humorous fashion? Surely he must credit the chief of the bureau with some common sense. The hon. member has had much experience in the lumber and papermaking business. What would he say if the foreman of one of his mills would indifferently call a chemist to do the work of an engineer or a chauffeur to do the work of a paper-maker? He would think his foreman had gone crazy. Why would the future chief of the bureau for translations use less common sense and good judgment in the management of the bureau than the foreman of one of my hon. friend's lumber or paper mills?

Other hon. gentlemen opposite have described the pitiful fate of the translators and have depicted the future bureau as being a place where the translators will be pressed together like sardines under the terrible eye of a supervisor who will impose silence upon them just as a schoolmaster does upon his school children. I ask hon. gentlemen opposite where in the bill do they find even the suggestion of such ridiculous proposals which, as a matter of fact, they can find only in their own imagination. The chief of the bureau for translations will have to be a man thoroughly conversant with the French and English languages. Very likely he will be a French-Canadian, and eventually one of the translators will become chief of the bureau. Does any hon. member seriously contend that the future chief of the bureau will be a despot or autocrat who will think only of cutting the translators' throats? Some hon. gentlemen smile, but nevertheless that is the kind of argument that we have read in some of the newspapers and which has been used by some hon. gentlemen opposite in opposing this bill.

Many hon. gentlemen have referred to the report of Mr. Achille Frechette, who in 1910 was chief of translation of the House of Commons, and who declared himself against the centralization of translation. I have nothing to say against that gentleman, but it seems to me that many changes have taken place since 1910. At that time radio was nonexistent and aeroplanes were very imperfect. Bleriot had only recently been hailed as a great man for crossing the English channel. Do hon. gentlemen seriously believe that because a suggestion was considered impracticable in 1910 it could not be acted upon in a practical fashion in 1934? The translators will not lose their liberty under the

provisions of this bill. Those who are experts in certain lines will continue to do the work for which they have special training and experience. Those who are experts in agriculture will not be called upon to translate matters relating to mineralogy. The Secretary of State has stated in unequivocal terms that the translators of the House of Commons will remain under the jurisdiction and control of that house. The vacation which these translators use for historical and literary studies may be preserved. A section of the Civil Service Act protects them in that respect. I am surprised that hon. members opposite who have been so free in picturing French Canadian Conservative members as traitors to the French language have not invoked that special legislation which has so far protected the translators and ensured them a long and restful vacation.

This is not the time and place to attempt to improve this legislation; it should be done when it is brought before the committee which has been specially constituted to study the bill and make a report to the house. Hon. gentlemen opposite seem to have acquired lately a great knowledge of translation matters and I invite them to appear before that committee and suggest any remedies they may have in mind. In order that the translators may have assurance with respect to their salaries, I suggest that a special clause be inserted to guarantee that these salaries shall not be decreased and that the privileges which they have enjoyed so far shall be maintained. The committee will have to bear in mind that the translators assigned to the different departments sometimes work until only five o'clock in the afternoon, whereas the translators connected with the House of Commons and the Senate sometimes work very late into the night; so much so, that after a long and strenuous session these translators find themselves exhausted and in need of a good rest. I should be pleased to recommend that their vacations be as long as possible and I am sure that this phase of the matter will be considered carefully and sympathetically.

Mr. BOUCHARD: It would be a new bill with those changes introduced; we have to vote on the bill as it is at present.

Mr. GAGNON: We have voted on bills before which have gone to a committee and come back in a state hardly recognizable. Why should it be otherwise with this legislation?

Mr. CHEVRIER: We hope so.

Mr. GAGNON: The hon. member for Ottawa (Mr. Chevrier) has had a great many years of experience and he should know that the procedure followed by the committee considering this bill will be the same as that which has been followed ever since parliament has been sitting.

The strongest criticism against this bill is that it will have the effect of reducing the importance and influence of the French language. No one has attempted to prove that the creating of a new bureau will have such michievous results. On the contrary, instead of translations being left entirely to the discretion and good will of the heads of departments, henceforward they will be under the direction of a chief of translations appointed by order in council or statute who, by his culture, training and functions, will be interested in maintaining, defending and improving the status of the French language. The definite pronouncement made last evening by the Solicitor General (Mr. Dupré) should go far to reassure those who are unduly apprehensive in this regard. Should this bill pass, for the first time since confederation the translation of departmental reports and public documents will be upon a permanent statutory basis. The hon. member for Ottawa has referred to section 133 of the British North America Act. Many hon. gentlemen opposite invoke this section more often when in opposition than when in power. I am sure Le Droit, which attacked the view presented in the speech of the hon. member for Labelle, will be interested in knowing what Senator Belcourt said about this in 1912 when speaking at the Congrès de la langue français à Québec.

The ACTING SPEAKER (Mr. Hackett): The hon. gentleman has spoken the allotted period of forty minutes.

Hon. CHARLES MARCIL (Bonaventure): Mr. Speaker, I have been very much interested in the reminiscences of the hon. member for Dorchester (Mr. Gagnon). I was a member of this house when complaints were made by his predecessors from Montmorency and Dorchester. I have been hearing these complaints all during the thirty-four years I have been a member. I was Speaker of the House in 1910 when Mr. Frechette was instructed to visit Belgium and Switzerland to ascertain the best method of carrying on translations. Belgium is a bilingual country, French and Walloon being the official languages, while Switzerland is a trilingual country, with German, Italian and French. During the thirty-four years I have been a member there has

been constant complaint of the lateness and delay in the publication of documents in French. The older members of the house will remember these complaints. The translators have always contended that the delay was due to the printing bureau. Canada is English by an immense majority, but it seems to have been forgotten that both languages were put upon an equal footing at confederation. In this country French is just as official as English. The statutes are not translated; they are supposed to be originally French. All documents should be printed simultaneously in both languages.

What would happen in this house if French members were to speak nothing but French, if they were to move amendments in French, raise their points of order in French, make their motions in French and ignore the English language completely? Where would we be? Could the business of this house be carried on? Those who are familiar with the work of this house will know what would happen. The French members have always made it a point to learn the English language, and I think this is greatly to their credit. I have known some of the most brilliant members of this house who, in their early manhood, knew hardly any English at all. They later became masters of the English language and they set a fine example to the English speaking members. I am glad to know that to-day it is becoming fashionable throughout Canada to learn French. If a Canadian wants to realize the importance of this language all he has to do is to go to Europe; unless he knows French he is lost entirely on the continent. English is the business language all over the world, but French is the language of the day in Belgium, in Switzerland and everywhere on the continent, as the minister himself will admit.

I am sorry I have only a few minutes and cannot fully discuss the bill, but the hon. member for Dorchester has discussed a bill which is not before the house; that is the unfortunate part of it. The Secretary of State (Mr. Cahan) is a distinguished gentleman, an outstanding Canadian, a man who represents in this house a constituency which is largely French-Canadian, and it cannot be conceived that his object in bringing before the house such a measure is to deprive the French people of their constitutional rights, which, if this bill as it stands passes, they will not possess hereafter, but which they possess by virtue of the constitution which made confederation possible. We all know that without Quebec there would not have been confederation; Quebec was the connecting link between the maritime provinces and Ontario. Those who are interested in the subject need only read the debates of confederation, the words of Sir John A. Macdonald, Sir George Etienne Cartier, and others to realize that both languages are official; that Canadians, whether French or English, are equal in the eyes of the law and that in this parliament the French and English languages are equal. Of course this is not so in a number of the provinces, but it is fast becoming so. As people become more learned and know the advantages of two languages, they appreciate the value of a knowledge of French. I can remember some distinguished men who have entered this house, among whom I could mention two or three prime ministers, who have consulted me as to the best books to read in order to learn French rapidly and who admitted afterwards that they were sorry they were handicapped by not having begun earlier in life to learn the French language.

The question now before the house is: How should we give satisfaction to the two or three million French people living in Canada? If we are going to spend $250,000 a year to translate, as under the law we must, the translation should be done in accordance with the best traditions so that we shall get value for our money and the people will have these publications in their proper season. Fancy the English speaking members of the house having to wait for three days for the English Hansard, or sometimes six months or more for reports of some of the departments! That is the difficulty with which we have to contend. Similar complaints to those voiced by Thomas Chase Casgrain, former member for Montmorency, Jean Baptiste Morin, former member for Dorchester, and others, who sat here thirty-five years ago are rampant to-day. Almost every day we have people write us to send them such and such a report in the French language. When we reply that we cannot do so because the report is not printed, they ask: When will it be printed? If the members of the house and of the committee which is going to study this bill want to know the real facts of the case, they should just summon the press gallery representatives of the French newspapers of Canada and find out how they are treated in the way of translation, how they are handicapped, how all documents, announcements and pronouncements are invariably thrown at them in the English language and they must translate them on the spur of the moment otherwise the French population of Canada, reading those newspapers, will be deprived of the advantage which they should possess.

I understand the minister intends amending this bill very materially and making probably two sections of this new bureau of translation.

Mr. CAHAN: It is not necessary to amend the bill in order to accomplish that.

Mr. MARCIL: I understand he intends to amend the bill if amendments suggested are shown to be advantageous.

Mr. CAHAN: I can assure the hon. gentleman in that regard.

Mr. MARCIL: The minister knows the difficulty of translation of parliamentary language; it is a language of its own. In parliamentary language there are forms and expressions which are not found in any other. Those who read the debates of the French House of Representatives will find that a large number of our expressions are unknown in the parliamentary language of France and that it is only with time, experience and study that a man becomes competent to translate parliamentary language. Therefore, if we have a staff specially trained in that work, it would be very unfortunate to disperse them, to put them to other work after they have become expert in the work they are at present doing. The same thing applies in the case of every other department. For instance, a man has spent years making a special study of mining, agriculture, finance, if you like, or any other branch and he is put at a moment's notice at some other work. The invariable result is that the work he will do will not be as good as that to which he is accustomed. I am sure the minister is willing under the circumstances that this bill should be materially amended, and he should remove any suspicion of doubt that the French people of this dominion are being unfairly treated in this matter. It is the duty of every member of the House of Commons to work to bring about a cementing together of and a better understanding between the people of this country, because therein lies its salvation.

Mr. CAHAN: I entirely agree with the hon. member.

Mr. MARCIL: Minorities, as the minister knows, are always very sensitive in regard to their rights, and if there is the least suspicion that they are going to be deprived of any of the advantages they now enjoy, a great deal of harm will be done. In the meantime I shall have to vote for the six months' hoist, but if, when the bill comes back from the committee for third reading, it is materially improved, I have an open mind and I shall deal with it then on its merits.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILL

BUFFALO AND FORT ERIE PUBLIC BRIDGE COMPANY

Mr. T. H. STINSON (Victoria, Ont.) moved the second reading of Bill No. 13, an act respecting the Buffalo and Fort Erie Public Bridge Company.

Mr. J. L. BROWN (Lisgar): It is not my intention at the moment to oppose the second reading of this bill, but I would like to call the attention of the house to it, particularly the attention of those members who may be on the private bills committee. There seems to be some misapprehension in the minds of hon. members, and also in the mind of the public, as to the position we put ourselves in when we vote for or against the second reading of a private bill. Those of us who were in the house when the Georgian Bay canal bill was discussed will recall the situation that arose then. The hon. member for South Wellington (Mr. Guthrie) was then leading the opposition. The Prime Minister of the day propounded the view that when a private bill came up for second reading it got that second reading as a matter of course, unless the house was opposed to the principle of the bill. The hon. member for South Wellington accepted that view, but there was a difference of opinion between the two hon. gentlemen, the Prime Minister of the day contending that the principle of that bill was the construction of a canal, while the hon. member for South Wellington contended that it was the construction of the canal by private interests. So we had a sham fight in the house for three or four weeks, and finally the bill went to the private bills committee and was killed.

I make these remarks because of a report that appears in the Montreal Witness from its parliamentary correspondent referring to a private bill that was before this house a few days ago, providing for the establishment of a company to loan money. The remark is this:

> The five Liberals voting for the bill were Hon. W. R. Motherwell, Hon. P. J. Veniot, J. L. Ilsley, F. W. Gershaw and Ross Gray, even after he had spoken against it.

I want to point out that it is not at all inconsistent for an hon. member to speak against a bill and yet vote that it be allowed to go before the private bills committee where the measure can be discussed on its merits and where those promoting the bill may have a chance to present their views. Private in-

dividuals certainly have a right to come to parliament and present their views to the private bills committee.

As I said, it is not my intention to oppose the second reading of this bill. As far as I understand the bill at the moment, I am opposed to it, but I conceive that it is quite possible for me to be opposed to it and yet be willing that it should go to the private bills committee to be discussed on its merits. I think it desirable that there be a full attendance at the committee so that we may hear the matter discussed from all points of view. Certainly if some of the objections that occur to me at the moment are not removed I shall oppose the bill not only in committee but when it comes back to the house.

Mr. HUMPHREY MITCHELL (Hamilton East): I can state in two minutes my objections to this bill. They relate to section 1, and to paragraph 23 of the schedule, which says:

> Bonds and property to be tax exempt. The properties of the Buffalo and Fort Erie public bridge authority shall be exempt from all taxes and assessments by the state or any municipality or municipal subdivision thereof and the bonds shall be exempt from taxation except for transfer, estate and inheritance taxes.

Now, Mr. Speaker, if this principle is to be carried into the bill, I contend it is absolutely unsound. This bridge was not built for the benefit of the people at large; it was built to make money, and now having run into deep water like many other concerns during this depression they come to this house and ask for a change in the bill providing for their incorporation. If it is sound and logical to grant that exemption to this particular company, I think it is sound and logical that it should be granted to every business organization in this dominion—

Some hon. MEMBERS: Hear, hear.

Mr. MITCHELL: —that finds itself in difficulties at this time. I think it is a sound principle that this and every organization of like character should stand on its own feet.

Mr. HANBURY: That is good Liberalism.

Mr. MITCHELL: It may be, but it is sound common sense.

Mr. SPOTTON: Quite a difference.

Mr. MITCHELL: I merely express this opinion so that when the bill comes before the committee the committee will have some knowledge at least of what I consider the clause of the bill that is of sufficient importance that it at least should be thrown out.

Motion agreed to and bill read the second time, on division.

BUREAU FOR TRANSLATIONS

The house resumed consideration of the motion of Mr. Cahan for the second reading of Bill No. 4, respecting the bureau for translations, and the proposed amendment thereto of Mr. Chevrier.

Hon. ALFRED DURANLEAU (Minister of Marine) (Translation): Mr. Speaker, after listening to my hon. friends opposite, this afternoon, discussing the stand taken by the press of this country on this bill No. 4; I wondered whether their mind had not been influenced by editorials which we have read of late. It might be interesting to know who organized and spread the campaign undertaken by a number of French Canadian newspapers, even before this measure was introduced in the house.

We did not intend, sir, to carry on a long debate over this bill. We had even hoped after the masterful statement made by the hon. Secretary of State (Mr. Cahan), followed by the convincing speech of the hon. member for Labelle (Mr. Bourassa), who is unquestionably an expert on the subject, that the house would have adopted the second reading and referred the bill to a committee.

However, our hon. friends on your left, sir, put up a concentrated opposition; however, I do not doubt it is genuine. But judging from the speeches delivered this afternoon, I cannot do otherwise than state that this opposition is directed by the general staff of the Liberal party and aims at influencing public opinion.

I listened, to-day, to the hon. member for Joliette (Mr. Ferland), who stated that this bill had been so draughted that it could be interpreted one way in one province and another way in another. Judging from the standard of speeches delivered, this afternoon and for some time past, my opinion is, that they were delivered in view of influencing public opinion and intended as political propaganda. I have, sir, not only read—

Mr. VENIOT: I rise to a point of order. The hon. gentleman has just made a statement in French, with regard to the speeches made on this side of the house this afternoon, attributing a motive to the speakers on this side. He says that in those speeches hon. members on this side wish to influence the public for election purposes. He has no right to make a statement of that sort.

Mr. GAGNON: I humbly submit, Mr. Speaker, that the point of order is absolutely uncalled for, because the Minister of Marine is entitled to say that the speeches made on the other side of the house were intended as political capital. There is nothing unparliamentary in that.

Mr. SPEAKER: Will the hon. member for Gloucester (Mr. Veniot) be good enough to elaborate the point of order? I did not quite comprehend it.

Mr. VENIOT: The Minister of Marine, in his remarks, said he was convinced that the members on this side, in opposing the bill, were making their speeches with the main object of influencing the public for election purposes. He is attributing a motive to us, and he cannot do so.

Mr. DUPRE: I have listened to the words uttered by the Minister of Marine, and I submit that they are absolutely in conformity with parliamentary procedure. No one was mentioned; it was simply an allusion to the fact that on the other side of the house speeches were made with such and such a motive, merely a political motive.

Mr. MANION: On the point of order, I suggest in all frankness that a great many speeches made on all sides of the house are for the purpose of influencing public opinion. I suggest, Mr. Speaker, that if the Minister of Marine is ruled out of order for making such a statement, most of us, when we make speeches in this house, in which we endeavour to influence public opinion by explaining our position, would be ruled out of order.

Mr. VENIOT: I do not suggest that we are not allowed to make speeches to influence public opinion. My point is that no hon. member has a right to stand up in this house and say to any other member, "You are making that speech to influence the public for political purposes." That is attributing a motive, and under the rules of the house no motive may be attributed.

Mr. ERNST: Not an improper motive.

Mr. SPEAKER: I cannot believe that the hon. member for Gloucester is serious in raising the point of order.

Mr. DURANLEAU (Translation): I was stating, a moment ago, that a campaign had been cleverly organized, even before this bill was introduced in the house. And when I read in a newspaper that this bill was directed against French influence in this country, I greatly regretted that the author of this article had summarily set aside the statement and the clear, sound precise and genuine explanations made in the house by the hon. Secretary of State. Moreover, that he had summarily disregarded a career well fulfilled, in the course of which, the sponsor of this bill, the hon. Secretary of State, has always given proof of fairness towards all races and languages in this country and shown much sympathy towards his fellow-citizens speaking the French language—no one can deny this fact—often at the expense of his popularity. I invite the author of this article to visit Montreal where he will meet in all quarters French Canadians who will uphold and praise the attitude which the hon. Secretary of State has always taken towards all races of this country. He will also become aware that, in his constituency, our colleague has no more devoted, sincere and enlightened constituents than those speaking the French language.

Mr FAFARD (Translation): Is the hon. minister aware that the Secretary of State has no translator in his department and that he does not speak the French language.

Mr. DORION (Translation): We shall have some.

Mr. DURANLEAU (Translation): Glancing over the speeches made by the opposition and reading the articles published in newspapers, we must conclude that the opposition to this measure can only come from an inexact or even false interpretation, to some extent, of the provisions embodied in it. After all, if we consider these speeches and articles, there are only four objections to the bill; first, it would deprive this house of one of its most cherished privileges; secondly, it would result in lowering the value and efficiency of the translation in the various departments; thirdly, it would make the position of translators in this country more precarious; fourthly, it would endanger the status of the French language in Canada.

Mr. Speaker, all these points have been fully discussed since the opening of this debate. I want to be as brief as possible, but I must admit that the first objection does not impress me very much. The house is the sole guardian of its own privileges, but it is never prevented to waive them from time to time in the interest of a more efficient conduct of public affairs. These privileges, however, are but a sequel to our duties as members and I submit, Mr. Speaker, that our primordial duty is to ensure, through sane and proper legislation for the country and its people, the wise conduct of public affairs.

Should our rights and duties, in the fulfilling of this task, become conflicting, and if the ones have to supersede the others, who is the member of this house who would dare maintain that our duties ought to give precedence or bow to our privileges? Therefore, Mr. Speaker, if this measure is a wise one, as such, if it is a proper one, if it is calculated to improve the translation service in this house and in all departments, would it become bad, as such, just because it would slightly infringe upon the privileges of the members of this house?

Mr. BOUCHARD (Translation): There are many "ifs" in that.

Mr. DURANLEAU (Translation): My hon. friend from Kamouraska (Mr. Bouchard) says that there are many "ifs". If he listened to the speeches delivered on the other side of the house, he must have realized that all the arguments of our hon. friends opposite are based on "ifs".

Mr. Speaker, the second objection to this bill is that it will result in lowering the value and efficiency of translation in all departments. That is a serious objection, because it strikes the very principle of the bill; but I wonder, Mr. Speaker, where one can find either in the spirit or in the letter of this bill, any proof of the claims of our hon. friends opposite. In order to judge, you must first ask yourself whether the present system is giving all the results that you are entitled to expect from it and whether it works out efficiently and rapidly enough. It is an extraordinary thing that although our hon. friends made long and frequent speeches and carried on a splendid effort, not one of them cared to suggest any improvement that might be brought into the present system. It is surprising that it is the press of the country that complained most frequently and most violently about the present system, about the documents being published in one language only and also about the delay in the translation. I may add, Mr. Speaker, that very often these complaints were fully justified. Therefore, it is strange that when we are about to remedy that condition, when we wish to improve the translation system through a bill that has been thought out and studied during many months by men who, I believe, know something about translation, it is strange indeed that these same newspapers, even before the bill was submitted to the House, protested most strongly against the improvements which we wanted to bring into the present system.

Is there one member in this house who will maintain that the present system is perfect?

[Mr. Duranleau.]

Mr. DUMAINE (Translation): Nothing is perfect in this world.

Mr. DURANLEAU (Translation): Will you say that there is no place in the present system for improvement, that there is no need to change it, considerably if necessary, in order to make it fully efficient? For it is the French race, the French section of this country that has had and still has to complain about the present system of translation. It was for us to complain, because, quite often, the French editions were useless owing to the tardiness of the translation.

What we want to secure with this measure is precisely a more elaborate translation of all official public documents, a translation which might not be any better than it is now —because I do not wish to criticize our translators or the translation that has been done up to now—but which will be carried out in the shortest possible delay.

Mr. BOUCHARD (Translation): There is nothing to that effect in the bill.

Mr. DURANLEAU (Translation): The idea of centralization seems to terrify our hon. friends of the opposition and especially the hon. member for Ottawa (Mr. Chevrier). In his speech the other day, he depicted the continuous parade of "Baby-Austins" and messengers hurrying to and fro between the central bureau for translations and the different departments. More than that: he attempted to show the superintendent distributing work to his 87 or 88 subalterns and ordering, for instance, the specialist in geology to translate the report of the investigation on milk production and distribution. Better still: at certain times, my hon. friend for Ottawa seemed to think that the different specialized translators would leave all their knowledge at the door of the central bureau, which is also the fruit of his imagination, because no central bureau is mentioned in the bill; that question is left entirely in the hands of the superintendent or of the minister in charge of the department.

Mr. CHEVRIER (Translation): I said nothing of the kind.

Mr. DURANLEAU (Translation): This is a reasonable deduction from my hon. friend's remarks. He even went so far as to exhume the report made to this house in 1910, by Mr. Achille Fréchette, and which has since been quoted so often. That report had been made at the request of the Internal Economy Commission of this house following a special survey trip to Belgium and Switzerland. That report shows that Mr.

Fréchette proposed Belgium as a model. But, Mr. Speaker, what were the conditions in Belgium, in 1910, according to Mr. Fréchette? This is what he says on this subject on page 4 of his report:

Each of the different departments has its own translation staff, except the department of Foreign Affairs, the occasional translation business of which is done by the very comprehensive staff of the Ministère des Chemins de fer, Postes, Télégraphes et Marine, counting sixteen members. Beside the work for the foreign affairs, this staff is also expected to do that of the Universal Postal Union, the international conventions and the proceedings of the peace conference. The Finance department has one translator proper; science and fine arts, two; interior and agriculture, two; war, three; justice, three; colonies, two; public works, one.

Briefly, 16 translators were centralized in one department and were at the same time doing the work of two or three other departments, while 14 others were scattered in the remaining departments. If I am not badly mistaken, even at such a remote period, as has been said this afternoon, we can discern the beginning of a system of centralization.

But will such a centralization be carried as far as the hon. member for Ottawa and some of his colleagues of the opposition seem to think? As I said a few moments ago, nothing in the bill justifies such a thought or supposition, and in his illuminative explanation the Secretary of State proved the contrary. In fact, nothing in this bill will prevent a translator, specialized or not, who has enough work for every day of the year, to remain in his present office while being subject to the supervision of the superintendent; that would entirely conform to the letter and to the spirit of the act. I say, Mr. Speaker, that nothing in this bill provides for the grouping in one office or in one building of all the translators, including those of the House of Commons and of the Senate. And I have been pleased to hear the Secretary of State declare that a special department would be organized for the translators of the House of Commons and of the Senate. The technical and specialized translators shall remain so under the new system resulting from this bill. Is it because they would be under a unified control, or under a minister responsible to this house, that the translators would cease to be employed as specialists? The contrary is evident, Mr. Speaker.

The hon. members of the opposition should do the Secretary of State the honour to believe that the superintendent would not be such a fool as to trust the translation of laws to a specialist in geology. The only conclusion which we may draw from the speeches of my hon. friends is that the translators are going to be thrown helter-skelter in the different centralized offices. The superintendent, and the minister in charge also, will be acquainted with the competence and the special qualifications of each translator, and will distribute the work accordingly. In the first place, the object of this bill is to ensure a fair distribution of the work.

An hon. MEMBER: Hear! hear!

Mr. DURANLEAU (Translation): The hon. Secretary of State has proved in black and white that such is not the case presently.

Mr. BOUCHARD (Translation): Rather in black.

Mr. DURANLEAU (Translation): —and not one single member of the opposition has been able to say so. It is plain, too, that at the present time all the translators are not treated in the same way, both as regards promotion and as regards the work itself. Another thing we want,—and I feel convinced that the bill now before the house offers a means of obtaining it—is the translation of a greater number of documents from the different departments.

An hon. MEMBER (Translation): Hear, hear.

Mr. DUPUIS (Translation): A greater number!

Mr. DURANLEAU (Translation): At the present time the number of documents to be translated is left to the discretion of the various deputy-ministers. Under the bill a chief will be appointed who will see to it that all public documents, from all the departments, will be translated into both languages.

Mr. ST-PERE (Translation): Will he be given more authority than the deputy-minister?

Mr. DUMAINE (Translation): Section 6 of the bill refutes all that.

Mr. DURANLEAU (Translation): Our translation service will be under a minister responsible to the people and to this house. As things are, Mr. Speaker, if we have any fault to find with the translation, we must complain to Your Honour, and you have no responsibility in the matter; when the translating is under a responsible minister we will at least be able to obtain a hearing for our complaints and have things set to rights. I say that is extremely important for the French element in this country.

As I said before, Mr. Speaker, what we want most of all is to ensure a service sufficiently prompt to permit of the simultaneous publication, in both languages, of all reports, bulletins and documents of immediate interest that a delay in translation might cause to become absolutely worthless, such as the French reports on the cattle industry, on dairy products and divers other farm produce, mentioned in "Le Devoir" of February 20th, over the signature of Mr. Albert Rioux.

Mr. BOUCHARD (Translation): We obtained simultaneous publication by getting away from centralization.

Mr. DURANLEAU (Translation): It is by having a competent superintendent who will see to it that the translating is done efficiently and rapidly, in all the departments—

Mr. BOUCHARD (Translation): Will the hon. minister allow me a question?

Mr. DURANLEAU (Translation): My hon. friend made his speech the other day without being interrupted.

Mr. BOUCHARD (Translation): I'll make another one.

Mr. DURANLEAU (Translation): I have only forty minutes at my disposal. The hon. member will have a chance to speak on the main motion; if he so wishes, he can then produce his arguments.

Mr. BARRETTE (Translation): He can also appear before the committee.

Mr. BOUCHARD (Translation): Read the article by Mr. Rioux.

Mr. DURANLEAU (Translation): The fear exists, apparently, that the present bill will make it difficult, if not impossible, to recruit and to train specialized translators. This is another statement based on a supposition that is entirely gratuitous, that is, that the superintendent of the bureau will have no consideration for the proficiency of each translator, and that the men will be continually transferred, constantly shifted around from one place to another, as it has been alleged. It is absolutely unreasonable to presume any such thing. At the present time our foremost experts have assistants who are being trained under them. Do the hon. members of the opposition really believe that when the service is brought under one head this excellent practice will disappear? What is there to justify any supposition of that kind? After all one is bound to recognize that the minister who will be made responsible for this service, the Civil Service Commission and the General Superintendent, who will be called upon to organize it with him, without being endowed with genius, will at least have ordinary intelligence and ordinary judgment.

Well-deserved praise has been given the initiative and the zeal shown by a number of translators who are forever on the look-out for technical information to perfect themselves in their art, who prepare dictionaries and technological manuals of all kinds, and who have established a system of reference-files where they store up their acquired data and their discoveries. Putting the service under one head will prevent, what has sometimes happened in the past, the loss of the fruits of such persevering study and research, and will facilitate the creation of a sort of library, of a card-index system, that the effort of every translator will make more complete every day, and which will be an inexhaustible mine of information. In the past certain translators took all their notes with them when they left the department. Under a direction such as we intend to establish for this service, nothing of that sort can occur.

Mr. BOUCHARD (Translation): They will simply laugh at the very idea.

Mr. DURANLEAU (Translation): Mr. Speaker, I say it again, the intention is not to pile up the translators into one large office, nor under one roof, but to secure uniformity, as well as equalize results, in order to obtain greater production and higher efficiency in the translation service.

Once more, Mr. Speaker, it is indeed strange that, in all the speeches delivered against the proposal by the hon. members sitting at your left, and after which the sound argument put forward by the hon. Secretary of State and the hon. member for Labelle (Mr. Bourassa), remains unimpaired, in all these speeches, do I say, one would look in vain for the assertion that the existing system is faultless, that it fully meets with the requirements of the conditions at the present time as well as the legitimate demands of the public at large. But, when the hon. Secretary of State, who has given considerable time to the matter, introduces a bill drafted after due reflection and meant to put an end to legitimate causes of complaint, we are at once confronted with a mass onslaught from within the ranks of the opposition, specially from the members representing my own province—

Mr. BARRETTE (Translation): Quite so. Hear, hear!

Mr. DURANLEAU (Translation): —the very one which, in the past, has had to suffer the most as a result of the delays we are endeavouring to eliminate.

Mr. DUPRE (Translation): Hear, hear!

Mr. DURANLEAU (Translation): From the very outset, in this debate, we have been told time and again that translation is a complicated art requiring a full knowledge of languages and even, quite frequently, a great sum of learning. We oftentimes hear hon. members extoll the high competency and the unceasing efforts of our translators, a tribute to which I am only too pleased to associate myself with as much sincerity as any one else, if not in so many words; we have heard the commendation of decentralization so ardently advocated, would it seem, in 1910, by Mr. Fréchette who, after all, only approached the problem in so far as the debates of this house, the sessional papers and the legislation were concerned, a fact which detracts to a singular degree from the value of the conclusions it is sought to draw from his report. It must be pointed out that, the author of this report referred incidentally to the various departments of the government, for he had been appointed by the Commissioners of Internal Economy of this house for the sole purpose of reporting on the translation service of the house and of the Senate, a fact which, in my opinion, considerably lessens the importance of that report in this debate.

As I was saying at the outset, I read every one of the speeches delivered by my hon. friends; I have listened to those delivered this afternoon and I was wondering where, in these various speeches, could be found a single reason, a constructive argument warranting the continuation of a system which led to the deplorable state of affairs so clearly set forth by my hon. friend the Secretary of State and the hon. member for Labelle.

Mr. POULIOT (Translation): You could not have read my speech for I have not spoken yet.

Mr. DURANLEAU (Translation): The other day, I heard, and then read, the speech delivered by the hon. member for Kamouraska (Mr. Bouchard). He himself found fault with the present system. In fact, did he not complain of the translation of the treaty on the St. Lawrence ship canal? Therefore, it is to be inferred that my hon. friends admit that a change is necessary in the translation service.

Mr. BOUCHARD (Translation): It is because it was translated without charge by a friend of the Secretary of State.

Mr. DURANLEAU (Translation): At least, so far as this bill is concerned, the change we are making is commendable.

Mr. BOUCHARD (Translation): It is not the result of translation and these changes are not contained in the bill now before the house.

Mr. DURANLEAU (Translation): My hon. friend shall be given the opportunity of giving all the explanations he may desire to give at a later date.

Mr. GAGNON (Translation): He is the specialist in interruptions.

Mr. DURANLEAU (Translation): To the hon. members on the other side of the house we ask: Why such a strong opposition to this proposed legislation? The answer which we get is that it shall entail the elimination of comparatively high positions and lower some translator chiefs to the rank of subalterns. Mr. Speaker, I already stated, and I feel bound to say again, how I hold in high esteem the translators generally. I am pleased to pay tribute to their ability; I know that most of them, are not of the kind who would be content with getting through their actual work in a more or less indifferent manner; on the contrary, they are constantly delving into research work, following closely the evolution of languages, familiarizing themselves with recent discoveries and inventions, in order to add to their technical vocabulary—

Mr. CHEVRIER (Translation): The hon. minister differs with the hon. member for Labelle.

Mr. DURANLEAU (Translation): I am giving my personal opinion; I agree with the hon. member for Labelle when he says that this measure is calculated to improve considerably the present conditions.

Mr. POULIOT (Translation): If you agree with him, he must be wrong.

Mr. DURANLEAU (Translation): I thank the hon. member for Temiscouata.

Mr. BOUCHARD (Translation): He said it just the same.

Mr. DURANLEAU (Translation): We are told, Mr. Speaker, that our translators were deeply moved by the announcement of this measure.

Mr. ST-PERE (Translation): And rightly so.

Mr. DURANLEAU (Translation): They are uneasy and fear wholesale dismissals. Where will you find in the bill that is now before us and especially in the principle of this bill, the least thing to fear for these competent and hard working translators?

Mr. POULIOT (Translation): If there are dismissals, you will he held responsible for them.

Mr. DURANLEAU (Translation): They will certainly not complain in the future when the work will be more equally divided, in order that one translator may not be called any more to translate 1,719 pages within the year, and another only a few pages.

Then did our translators and those who, in this house and outside, mean to hasten to their rescue, read carefully paragraph 7 of section 3 which promises plenty of work, much more than they had in the past, therefore surely preventing a reduction of the translating staff. Moreover, Mr. Speaker, this section contains the sanction of a principle that has been perhaps imperfectly recognized in section 133 of the Confederation Act. And, protected as they are by the Civil Service Act, how could they fear any lowering in rank involving a reduction of salary? Again, it is not a concentration camp for translators that the measure is calculated to establish, but an intelligent centralization and even a rather mitigated one, in practice, of the various services, with the sole object to ensure a greater measure of efficiency. I do not see what could prevent the chiefs from remaining chiefs, because the superintendant to be appointed, as it was already stated, will not claim any relationship to the great man referred to the other day, who is known in history as Pic de la Mirandole. Our superintendent will not claim to be possessed of the learning and special knowledge of our chief translators. Therefore he will have chiefs in the various translation branches.

Mr. BOUCHARD (Translation): So much the better.

Mr. DURANLEAU (Translation): His duty, if I understand the bill aright, will consist mainly in co-ordinating and distributing the work, with a view to having it carried out promptly, but without meaning to so teach anything to the specialists and technicians under him.

Having always in mind the interest of the translators, there is another aspect of the question that our hon. friends seem to have missed. Do they fully realize, that the present system is liable to depreciate the value of the translation service, especially for the French language? With the tardiness and considerable delays that it allows, the present system will finally make the translation of many documents useless, because by being so delayed they have lost all their value.

Mr. BOUCHARD (Translation): It is not the translators' fault.

Mr. ST-PERE (Translation): It is not the translators' fault; it is that of the departments.

Mr. DURANLEAU (Translation): It is the fault of the present system, because the French edition of reports and journals of present interest are published only several days and even weeks after the English edition.

Mr. ST-PERE (Translation): Whose fault is it?

Mr. DURANLEAU (Translation): Then what happens in such a case? The ratepayer, merchant, manufacturer or farmer, who needs it immediately, takes the habit of reading it in the English text and therefore does not ask for the French edition. Our hon. friends opposite should realize that when the deputy ministers see the French editions being piled up in the cellars, they cease having these documents translated, and that is at the expense ot our race and of the French language.

Mr. ST-PERE (Translation): But it is their own fault, because the English original is sent too late to the translators.

Mr. DURANLEAU (Translation): My hon. friend will have the opportunity to answer; he might even be called before the committee.

Mr. DORION (Translation): But he won't go.

Mr. ST-PERE (Translation): I won't go? I shall go if I am called.

Mr. DURANLEAU (Translation): If I understood correctly some of my hon. friends this afternoon, they have raised a weak opposition to the bill now before the house—I am speaking of the hon. member for Bonaventure (Mr. Marcil). He even suggested that it would be a good idea to refer the bill to a committee where it could be amended.

Mr. BOUCHARD (Translation): It certainly does need amendments.

Mr. DURANLEAU (Translation): My hon. friends will be called upon to make suggestions.

Mr. ST-PERE (Translation): I suggest that you call before the committee the translators whom you have accused when they have no way of defending themselves.

Hon. P. J. A. CARDIN (Richelieu) (Translation): Mr. Speaker, I concur in the opinion of those who think that a measure such as the bill now before the house may be discussed without resorting to dishonest or disloyal arguments, and without inflaming public opinion. It is wrong to say that the present bill concerns only the French-speaking members and the people of the province of Quebec. It should interest as well all other members of the House of Commons, because translation is not only made from English into French, but also from French into English.

This bill rests on two principles which have been clearly defined by the hon. Secretary of State (Mr. Cahan). By the way, I hope he understands that all those who oppose the bill have not the least intention of casting reflections on his personality, his character, his sincerity and his broad-mindedness. We have known him in public as well as in private life; we respect him as a private citizen as well as a statesman, and we have the highest consideration for his professional and legal ability. Therefore, this bill should be discussed in the light of the reasons and principles to which he has given expression in the course of his explanations. What are they? They are neither a safe-guard for the rights of the French language, nor a reinforcement of the position it occupies in the parliament of the country. It is childish to say so. Here are his reasons: economy and greater efficiency in translation. They are the only two arguments brought forward by the Secretary of State, and they are also the inspiration of this bill.

The translation of documents costs too much, and the printing costs too much because the translation is not ready in time. Those are the true reasons. It is useless to look elsewhere in trying to justify the position taken by the government, or in the desire of crowning with a halo the Secretary of State and the government for this so-called recognition of the principle of the rights of the French language. This bill adds nothing whatever to the rights of the French language, which shall continue to exist even if this bill be rejected or withdrawn. It does not add one iota to the rights of the French language, as we have them to-day. In my humble opinion, I prefer the present recognition of the rights of the French language in the several departments to the recognition which would come only from a central bureau of translations.

Economy? Shall the enactment of the present bill result in any saving? Not at all. From the discussion and the answers given to the questions from this side of the house by the hon. members sitting at the right of the Speaker, an increase in the cost must be anticipated.

My hon. friend the Minister of Marine (Mr. Duranleau) has just said that a greater number of books and documents will be translated than in the past. This should be more expensive. I have no complaint on that ground. But it is a flat denial of the argument of the Secretary of State who wants economy. Further, every member of this house knows by experience that centralization, in all spheres of human activity, has not resulted in economy. Generally speaking, the methods of administration have become worse when centralization has been introduced in the public services. It has resulted in poorer service at a higher cost. The centralization of all the translators of the public service, or of certain translators will produce no saving in the cost of government. We shall see a great number of officials in charge of this new bureau of translations, an increase in the number of translators and supervisors, a new staff of employees who will be going forward and backward between the bureau, the different departments and the House of Commons; in other words a general increase in the number of employees. If there are, to-day, translators who are remiss in the accomplishment of their duty, there will be men directing this department who will earn their salary less than the translators earn it to-day: they will act as overseers.

The hon. Secretary of State said: It may very well be that a complete centralization will not be brought about in the one place, the one building; we may establish certain departments in certain government buildings, small staffs where a certain number of translators, accustomed to a particular line of work, will be retained under the direction of a special official. It is evident that this will incur additional expense. The more there are of these branch translation offices the heavier will be the appropriations voted to defray the cost of the translation service. Therefore, from the standpoint of economy, let us not deceive ourselves; it is childish to pretend that any saving may result from a like reorganization of the service.

Will there be an improvement in the translation? I doubt it. When instead of being under several heads who control them or who are supposed to control them, the translators will be brought together in one building, under the direction of one chief, it is quite

possible that there may be just as much neglect as the translators are accused of to-day.

I think it is unjust to say that the translators attached to the different departments are not useful and do not do their duty. Among the translators—I make no claim to knowing them all; but I do know some of them—are some who are officials of sterling worth who render valuable service to their respective departments. In this service as in every other may be found certain civil servants who are not up to standard; but if we look into all the branches of the public service we find the same faults that the present bill seeks to remedy.

The translation will be not one whit better than it is to-day. It may well be, and I am quite prepared to admit it, that my experience is rather limited with respect to the translating done in the House of Commons. If I understand the matter aright that is where the evil lies that the hon. Secretary of State is trying to eradicate. Then why not restrict the reform to the translators of the House of Commons and of the Senate, adopt measures suitable to this category of translation, appoint a translator as chief of the service, and give him the requisite authority to direct the employees under his jurisdiction. Why not leave the translation in the different departments entirely independent of that done in the House of Commons and the Senate; in this way, as the former Postmaster General (Mr. Veniot) so well pointed out, the translators at present attached to the various departments would remain in line for promotion in their respective departments. If these employees of the several departments, French-speaking employees mostly, are organized into a central bureau or placed under a new director, they will lose their chance of promotion, will no longer be able to try for the position of departmental chief or of assistant deputy minister. Oh, I know quite well that the hon. Secretary of State told us beforehand that these men will be entitled to promotion in the translation bureau. But there the chances of promotion will be meagre indeed. When the hon. Secretary of State will have the power, under this bill once it becomes law, to order the transfer of a translator in the department of my hon. friend the Minister of Marine (Mr. Duranleau) to the central bureau of translations, because of his exceptional proficiency, that translator will have to leave the work he has been doing in the Marine department and come under the direction of the translation bureau where he will be barred from all prospects of promotion, save the opportunities, few and far between, afforded by the bureau itself. He will be deprived of the advantages he enjoys at present in the department, where he can aspire to any position in that Department of Marine. You have there a serious consequence of this measure, brought to the attention of the house by the former Postmaster General and other hon. members; an argument that remains unanswered by our friends on the other side.

My very good friend, the Solicitor General (Mr. Dupré) has not answered it; my very good friend the hon. Minister of Marine has not answered it; and, foreseeing the objections, the hon. Secretary of State did not answer it either. He insisted that the translator could be promoted within the translation bureau. But promotion within the translation bureau would not have the same importance, far from it, as promotion in the different departments of the public service, as things are to-day. There you have a disadvantage; the employee will have fewer opportunities for promotion if this bill, in its present form, becomes law. In future those who enter the government service through the translation bureau will be deprived of their chances of rising to higher positions in our civil service.

Efficiency! I doubt that the proposed system, once adopted, will ensure greater efficiency. But if certain evils exist, if certain employees are remiss in their duty, why not deal with them in the translation service as they are dealt with throughout the government departments? Does the hon. Minister of Marine expect us to believe that if a translator, in his department, does not do his work properly but loafs away his time, that my hon. friend has not the necessary authority to make this man attend to business as he should? Why does the hon. minister wish to throw this responsibility on the superintendent of the Translation Bureau or on the hon. Secretary of State?

It may be that when we ourselves were administering the affairs of this country certain unpalatable things occurred and that we might be charged with neglect in certain instances. I do not agree with those who claim that the administration we set up was absolutely above reproach: like the present government, ours was made up of human beings, with the usual measure of human frailty. I say in all sincerity that if I were to be called once more to-day to administer the affairs of the Department of Marine there are certain things I would not go about in just the same way. There is always room for im-

provement in any situation; but I maintain that each minister should not be relieved of his due responsibility. The minister who has a translator directly under his authority is better fitted to make that translator toe the mark than would be any official appointed to preside over the destinies of a Translation Bureau. I repeat: When errors or faults crop up, correct them; indolent and careless employees, people who fail to give proper attention to the tasks assigned them, should be dismissed. When in any department certain employees are found who are not properly fitted for their work, do you reform that department, do you abolish it and merge it with some other department? Is it fair to solve the problem in such a roundabout way, when you can strike directly at the root of all the trouble? Once more I say: let the faults be corrected, you have all the authority you need.

I cannot accept the eloquent plea made by the hon. Secretary of State in explaining his bill, when he stated that he had to go outside the service to have a translation made of the Speech from the Throne.

Mr. CASGRAIN (Translation): A pretty weak argument.

Mr. CARDIN (Translation): Yes, Mr. Speaker, I have difficulty in imagining the hon. Secretary of State, with the English copy of the speech from the throne in his hand, going from one department to another looking for some one to translate it, and coming back to his own office without having found a translator. It may be that from a technical viewpoint, and with microscopic hair-splitting, one may conclude that, technically speaking, certain employees of the House of Commons, of the Senate and of the different departments, might refuse to do this work. Well, I am very humble if I compare myself to the hon. Secretary of State, I am quite a small man, intellectually as well as physically, compared to him. But, were I in his place, I would like to see the translator, employed by a government of which I was a member, who would have told me he refused to translate the speech from the throne. It appears to me that the government cannot very well be proud of the fact that they must publicly declare: We had to go outside the translation service to have the speech from the throne translated because we could not find a translator to do this work. It is certainly not an argument in favour of the bill; and if I were the Secretary of State I would not have advanced a reason of that sort in a public document. I am convinced that if the hon. Secretary of State and the members of the government had applied to the officials of the House of Commons they would have found somebody to do this translation. Furthermore, if they had applied to some of the secretaries of the present ministers they would have found five or six only too glad to translate the speech from the throne, and their translation would have been of a high order. There would have been no necessity of going outside, and for a poor translation, at that. That is not an argument. Even supposing, from a purely technical standpoint and, I repeat, by splitting hairs with the aid of a microscope, the statement might be true, from a strictly legal point of view, there is a remedy to hand for a situation of that kind. Without interfering with what has been termed the privileges of the House of Commons and the Senate, this house could certainly pass a simple resolution saying that the debates translators shall be required to translate such and such documents under the direction of the House of Commons. A resolution of that kind would cause no disruption whatever and leave untouched a system followed since confederation; it would also meet all requirements in the way of translation.

So, Mr. Speaker, in the reasons put forward by my good friend, the distinguished Secretary of State, I fail to see any argument justifying the introduction of this bill. That instrument is called a bill but, strictly speaking, it is not a bill. Upon examination and after a single reading, one cannot help but come to the conclusion that is a mere statement to the effect that there shall be a bureau for translations and that all departments shall collaborate with that bureau. How will the new body, thus created, function? By means of regulations to be made at a later date by the minister appointed to administer that bureau. The powers of the superintendent or of the minister in charge of that particular branch of the service are also to be determined by such regulations as may be made at a future time. To-day, the only thing asked from parliament is leave to adopt regulations, the right for the Secretary of State, or any one else acting in his stead, to make regulations of his own choice or which the government in power at the time may be pleased to authorize. There is nothing else in the bill; it merely contains a statement concerning the establishment of a bureau for translations and the power to make regulations.

Mr. Speaker, in my opinion, this is not how it should be done and the opposition should

not be asked to support that bill or statement until such time as sufficient reasons are given in justification of the measure. Why, before presenting the bill, did the government not inquire into the matter and then come before the house with the conclusions resulting from such investigations in order to substantiate the facts contained in the explanatory notes of the bill? Why that beclouding of the issue? Why do they speak of reports having been submitted, and should we deem such reports to be of a confidential character? Why that concealment of the truth? Why are they withholding information given to the Secretary of State or to the government? If there should be any of the officials whose behaviour calls for their being denounced in reports of the kind, then parliament and the country are entitled to know who they are. The members of the opposition are not afraid of the light, even at the risk of finding amongst these officials some who entered the public service at a time when the Liberal party was in power. Hold an inquiry and disclose to the public and to the house such information as warranted or does now justify, in your opinion, your proposal. Then, in the light of such information, we would be in a better position to pass judgment on the bill. But you are now asking that the opposition should give its approval to a mere blank and to accept reasons which you refused to disclose to the house.

Mr. Speaker, I submit that there is no ground whatever for the charge that the opposition's agitation against this bill is uncalled for. We are entitled to discuss the bill before the house and we have several reasons, and valid reasons, to protest against it. Our opponents are in the wrong and display a lack of generousness in their efforts to discredit our opposition to this legislation. Our sincerity is at least equal to that of those who support the government, and in that respect we feel that we easily measure up to them. I am willing to admit that they are acting in good faith, but let them concede to us the right to have an opinion of our own, and recognize that as far as sincerity, patriotism and broad-mindedness are concerned we rank as high as them.

We are opposed to the bill because we sincerely believe that it should not meet with the approval of the House of Commons. May I be allowed to humbly offer a suggestion to my good friend the hon. Secretary of State in whose fairness—I repeat it—I place great confidence? Why does he not postpone the consideration of his bill instead of pressing it to a conclusion now, at a time when the measure is necessarily incomplete. He should refer the matter to a committee of the House of Commons, a committee representative of the various groups in the house, in order to investigate the conditions under which the debates of the house and other public documents are being translated, and to ascertain the defects of the present system. Then, when all such defects, or faults, if I may use the term, are disclosed to the committee, the government will be in a position to act from a knowledge of the facts and submit a proposal for the establishment of a more appropriate system for the translation of debates and public documents.

Now, I know very well that they will reply: We want to take the bill to the committee. But this bill contains nothing. If you go now before the committee you will hold the very inquiry which I ask of you to make beforehand and upon your return from the committee you will have to submit a different bill, for this one will not fit as it does not remedy the evils which an inquiry would disclose. To use a popular expression, why put the cart before the horse? Before enacting a statute you must be well informed. Why should we adopt a bill before getting some information? Why should we go to the committee with an incomplete bill and then come back here with the information which should have been given to the house before presenting this measure. Light is what is required; we want the information which the Secretary of State and the government refused to give us and which supposedly resulted from private and discreet investigations. Let us appoint a committee of inquiry and see that light be made on the subject of translation. And when that is done, when the defects are disclosed and the imperfections of the system are known, then we shall be able to adopt a law, but not regulations.

I can assure the hon. Secretary of State that I have no hidden motive when I make this suggestion and he will permit me to think that my good faith is equal to his. I am aware of his solicitude for those who speak my own language in this country and I know that he would like to help them. But I would not like to see any of their privileges, any of their chances of promotion in the public service to be taken away from them. What I am saying about my own compatriots applies also to our English speaking fellow-citizens, for the time may come when translation from French into English will be more important than it is to-day. If the French speaking members spoke more often their mother tongue in this house and if we insisted more

than we do to-day on the rights and prerogatives of the French language in this parliament, the translation from French into English would become more important than it is to-day and the translation of documents from French into English would be of great import. Therefore, I repeat what I said at the outset: The translation service is not only necessary, useful and profitable for the province of Quebec, it is of essential interest for the English speaking citizens and members of parliament.

In concluding, Mr. Speaker, I hope the hon. Secretary of State and the hon. members of the government, after further considering the matter, will come to the conclusion that rather than protracting this discussion it is better to make an investigation of the translation service and then submit a bill which will be a real bill containing in its provisions to be voted by parliament, the remedies to be applied. We must not, as provided for in this bill, depend on regulations to be made later on by the minister. Regulations have not the same weight as a law; they can be altered too easily. It would be far better if the proper remedies were set forth in an act of parliament rather than in the unsteady prescriptions of regulations which very often are intended to remain buried under the dust of some office or the library of a department.

The house divided on the amendment (Mr. Chevrier) which was negatived on the following division:

YEAS

Messrs:

Ahearn
Beaubien
Bertrand
Bothwell
Bouchard
Boucher
Boulanger
Bradette
Cardin
Chevrier
Denis
Deslauriers
Desrochers
Dumaine
Euler
Fafard
Ferland
Fiset, Sir Eugène
Fontaine
Fraser (Northumberland, O.)
Gershaw
Golding
Gray
Howard
Howden
Hurtubise
Jean
Lacroix
Lapointe
MacLean
MacMillan (Mackenzie)
McIntosh
Mercier (St. Henri)
Michaud
Motherwell
Parent
Perras
Pouliot
Power
Ralston
Rhéaume
Roberge
Rutherford
St-Père
Sanderson
Thauvette
Totzke
Vallance
Veniot
Weir (Macdonald)
Young—51.

NAYS

Messrs:

Anderson (Toronto-High Park)
Arthurs
Baker
Barber
Baribeau
Barrette
Beaubier
Belec
Bell (Hamilton West)
Beynon
Bourassa
Bourgeois
Bowman
Bury
Cahan
Cantley
Carmichael
Casselman
Chaplin
Coote
Cotnam
Cowan (Long Lake)
Davies
Dickie
Duguay
Dupré
Duranleau
Embury
Ernst
Fortin
Fraser (Cariboo)
Gagnon
Garland (Bow River)
Gobeil
Gordon
Gott
Guthrie
Hackett
Hanson (York-Sunbury)
Hay
Heaps
Irvine
Jones
Kennedy (Peace River)
Kennedy (Winnipeg South Centre)
Larue
Laurin
Lawson
Lennox
Loucks
Lucas
Luchkovich
Macdonald (Kings)
MacInnis
MacLaren
MacNicol
Macphail, Miss
McGibbon
McGillis
McGregor
McLure
Maloney
Manion
Mitchell
Moore (Chateauguay-Huntingdon)
Morand
Mullins
Myers
Neill
Nicholson
Peck
Pettit
Pickel
Plunkett
Porteous
Price
Quinn
Rhodes
Robinson
Rogers
Ross
Rowe
Senn
Shaver
Simpson (Simcoe North)
Smith (Victoria-Carleton)
Smoke
Spankie
Spence
Spencer
Spotton
Stanley
Stewart (Leeds)
Stewart (Lethbridge)
Stirling
Stitt (Selkirk)
Sutherland
Swanston
Thompson (Simcoe East)
Thompson (Lanark)
Tummon
Weese
White (London)
White (Mount Royal)
Willis
Wilson
Woodsworth
Wright—108.

PAIRS

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

Messrs:

Arsenault
Anderson (Halton)
Bell (St. Antoine)
Bell (St. John-Albert)
Bennett
Black (Halifax)
Bowen
Fournier
Factor
Raymond
Dubois
King
Dubuc
McKenzie (Assiniboia)

Boyes	Hepburn
Burns	Butcher
Charters	Blair
Cowan (Port Arthur)	Ilsley
Dorion	Verville
Edwards	Elliott
Esling	Hanbury
Ganong	Moore (Ontario)
Garland (Carleton)	Goulet
Geary	Mercier (Laurier-Outremont)
Harris	Jacobs
Johnstone	Donnelly
Laflèche	Girouard
McDonald (Cape Breton)	Urquhart
McDougall	Rinfret
McMillan (Saskatoon)	MacKenzie (Vancouver)
McDade	Dupuis
Matthews	Reid
Murphy	Stewart (Edmonton)
Perley (Qu'Appelle)	Munn
Perley, Sir George	Marcil
Ryerson	Taylor
Sauvé	Séguin
Short	Heenan
Simpson (Algoma)	Casgrain
Smith (Cumberland)	Duff
Stevens	Malcolm
Stinson	Hall
Stitt (Nelson)	Hanson (Skeena)
Sullivan	Brasset
Turnbull	McPhee
Weir (Melfort)	Brown.

Mr. HARRIS: I was paired with the hon. member for Cartier (Mr. Jacobs). Had I voted, I would have voted against the amendment.

Mr. EDWARDS: I was paired with the hon. member for West Middlesex (Mr. Elliott). Had I voted, I would have voted against the amendment.

Mr. STITT (Nelson): I was paired with the hon. member for Skeena (Mr. Hanson). Had I voted, I would have voted against the amendment.

Mr. HEENAN: I was paired with the hon. member for Digby-Annapolis (Mr. Short). Had I voted, I would have voted for the amendment.

Mr. ANDERSON (Halton): I was paired with the hon. member for Toronto West Centre (Mr. Factor). Had I voted, I would have voted against the amendment.

Mr. MURPHY: I was paired with the hon. member for West Edmonton (Mr. Stewart). Had I voted, I would have voted against the amendment.

Mr. PERLEY (Qu'Appelle): I was paired with the hon. member for Vancouver North (Mr. Munn). Had I voted, I would have voted against the amendment.

[Mr. Cardin.]

Mr. BRASSET: I was paired with the hon. member for St. Ann (Mr. Sullivan). Had I voted, I would have voted for the amendment.

Mr. BLAIR: I was paired with the hon. member for Peel (Mr. Charters). Had I voted, I would have voted for the amendment.

Mr. HALL: I was paired with the hon. member for Victoria, Ontario (Mr. Stinson). Had I voted, I would have voted for the amendment.

Mr. BOYES: I was paired with the hon. member for Elgin West (Mr. Hepburn). Had I voted, I would have voted against the amendment.

Mr. BUTCHER: I was paired with the hon. member for Portage la Prairie (Mr. Burns). Had I voted, I would have voted for the amendment.

Mr. BOWEN: I was paired with the hon. member for Assiniboia (Mr. McKenzie). Had I voted, I would have voted against the amendment.

Mr. SEGUIN: I was paired with the hon. Postmaster General (Mr. Sauvé). Had I voted I would have voted for the amendement.

Mr. GOULET: I was paired with the hon. member for Carleton (Mr. Garland). Had I voted I would have voted for the amendment.

Mr. DUBOIS: I was paired with the hon. member for St. John-Albert (Mr. Bell). Had I voted I would have voted for the amendment.

Mr. DUPUIS: I was paired with the hon. member for Northumberland, N.B., (Mr. McDade). Had I voted I would have voted for the amendment.

Mr. DORION: I was paired with the hon. member for Lotbiniere (Mr. Verville). Had I voted I would have voted against the amendment.

Mr. SPEAKER: The question is now on the main motion.

Mr. CAHAN: If no one else wishes to speak, I intend to close the debate.

Mr. SPEAKER: If the Secretary of State speaks now, he will close the debate on the motion for the second reading of the bill.

Hon. P. J. VENIOT (Gloucester): Mr. Speaker, may I for the second time speak on the bill before the house? I have the right, after speaking to the amendment, to address myself to the main motion, and I do so for the purpose of drawing the attention of the house to some of the arguments advanced by the Solicitor General (Mr. Dupre). I listened with great attention to his remarks and I

wish to congratulate him on the purity and eloquence of the English which he used while speaking in a tongue not his own. But I would have been better pleased had the hon. gentleman continued his speech in English so that the English as well as the French members might have understood the situation as he laid it before the house.

There was no necessity for the Solicitor General to heap eulogies upon the head of my good friend the Secretary of State (Mr. Cahan) in order to convince this side of the house that the Secretary of State was broad-minded and sincere in introducing this measure. I am sure the Secretary of State believes down in his heart of hearts that this is the only method of remedying an evil, if I may use that word, that for years has crept into the translation of the debates of this house and of public documents in general.

My hon. friends opposite who have spoken on this question, especially the Minister of Marine (Mr. Duranleau), and the hon. member for Dorchester (Mr. Gagnon), threw across the floor in the face of French members on this side the taunt that we were influenced in our opposition to this bill by a desire to arouse an uncalled-for agitation in the public mind, especially in Quebec. Far be it from me to wish that anything I might say should be interpreted as an attempt to arouse any such feeling. I am proud of the fact that I am of French extraction. My ancestors came to this country around 1700 and they preferred to accept deportation at the hands of unjust officials of the home government rather than give up their rights so far as their race was concerned. We Acadian people of the maritime provinces long thought the blame for that injustice should have been placed upon the home government, but as we grew older and as the historians of the French Acadian race made researches, going not only to England but to France and searching the archives of those countries, they were able to convince us that the blame at that time lay, not with the home government, but with the unjust officials who were acting without the authority or consent of the home government. Therefore we Acadian people have changed our views somewhat; we are proud of being numbered among the French race of the Dominion of Canada, and being proud of that fact, had I thought the interpretation placed upon the bill by the Solicitor General was the correct one, I would have hesitated to some extent to oppose the measure as I have opposed it. But the reason I say it would have been better had the eloquent Solicitor General continued his speech in English is that the house as a whole, English and French members, would then have seen at a glance that it was unjust and unfair to impute to the French members on this side a desire to raise the race cry. The whole contention of the Solicitor General was directed to an appeal to the French Canadian members on this side not to oppose the bill because it was giving them greater privileges than those contemplated under the British North America Act. I am going to quote a translation of the speech of my hon. friend, to show that it is poor grace on his part or on the part of the Minister of Marine or of the hon. member for Dorchester to impute the motives they have imputed to the French members on this side of the house. The hon. gentleman made the following statement in French:

> May I, sir, summarize from a legal angle, by submitting the following argument: in a word, Bill No. 4 completes article 133; it implements the spirit in which article 133 shall be construed, or, if you wish, it is the recognition, in legal form, of what article 133 intimates but does not say. Article 3 of Bill No. 4 confirms, in a federal statute,—

And this is what I want the members of this house to listen to.

> —the interpretation that we of the province of Quebec, have given to the spirit of article 133 of the British North America Act. In my opinion it is a step forward in the laying of our claims, and, sir, is this not the most essential aspect of the question?

I am sorry that the Solicitor General is so narrow in his outlook that he has left out the French part of the population of the rest of Canada. Then he goes on:

> You must make a distinction between the principle and the accessory. Here, Mr. Speaker, the principle is the additional guarantee given to the French language and the sanction of rights unceasingly claimed during many years. The accessory is how, when, and by whom translations will be carried out.

In conclusion he says:

> I appeal to my compatriots on the other side and to the French press, and I say to them: if my argument is wrong keep on the fight. But if I am right I call on them to cease firing on their own troops.

Was there ever a more deliberate attempt to raise the race cry in this house than that of the Solicitor General in that speech? Mr. Speaker, may I say to him that we French members on this side of the house have never brought into question the status of the French language under the British North America Act as far as the parliament of Canada is concerned. We feel that in that respect the status of our language is fully safeguarded by section 133 of the British North America Act. An argument may be made

as to the status of the French language outside of parliament, that it has not found protection under section 133, but I am not arguing that point at present; that will be argued in due time if ever the question arises again. But let me say this: believing as we do that the status of the French language is protected as far as this parliament is concerned by section 133, the evil that exists in connection with the translation of the English debates into French can be remedied without enacting a measure that has aroused such strong opposition. Our friends on the other side who have spoken, few though they were, seem to believe that they are the only ones to be looked upon as true champions of the French rights and the French cause in this country. Let me say to my hon. friends that I have never been afraid to raise my voice in the province of New Brunswick—and for that matter in the province of Nova Scotia where I was brought up and where I lived until I was twenty years of age—on behalf of my people, and I have always received a hearty response from a large number of those who differ from us in both religion and nationality. I want to pay that compliment to the people of Nova Scotia and New Brunswick. In opposing this bill we are actuated by motives just as sincere and just as honest as the motives which prompt hon. gentlemen on the opposite side to support it.

There is a remedy for the existing evil. It is not fair to criticize a measure unless one is prepared to submit something constructive. I have never contended that the translation system in practice at Ottawa is perfect; I know it is not. I know there are poor translators on the different staffs—not many, but sufficient, perhaps, to cause the question to be raised as to what can be done to improve the system. Let me, sir, offer some suggestions. First, have it arranged that each department shall have departmental reports ready before the fall of the year and handed to the translators before the English text of the report is printed. At present what do we find? Departmental reports in English are handed to the translators in many cases only after the English edition has come from the printing bureau. This suggests one way of avoiding the tardiness that has worked itself into the printing of the reports. Matters should be so arranged that these reports shall be given to the French translators as soon as the English version is complete, or, better still, as twenty, thirty or forty pages of the copy are completed and certified by the proper authorities, those pages should be handed over to the French translators. It would then be found that the French version would be ready to go to the printer within two or three days after the English version is ready. In this connection it is said—and I hope the Secretary of State will not take umbrage at what I am going to say—

Mr. CAHAN: I fully agree with what the hon. member has said so far.

Mr. VENIOT: It has become an almost universal practice among ministers of the crown—I am not going to include myself in this category; for when I was in the government these reports were ready in time—to delay sending to the printers until the fall of the year the reports for the year ending the previous March 31st. If the minister would issue an order that these reports must be ready soon after parliament prorogued, say the last part of July or the early part of August, there would be no further cause for complaints about tardiness in the printing of those reports. I do not think that I am far astray when I say that the Secretary of State himself is a sinner in that respect. It may be that the excess of work in his department, and the necessity for his travelling to Europe on important Canadian affairs, has put him in the position where he could not see that that work should be carried on in the manner in which I suggest.

Third, do not pass documents to persons outside the service for translation. Now, the Secretary of State cannot make me believe—and I always like to accept his word—that of necessity he was compelled to go outside the service to get somebody to translate certain important documents. He did not tell us that he had applied to the various departments for the purpose; he did not tell us that he could not find a competent translator in any of the departments to do that class of work. I say to the Secretary of State the implication is that among the translators no one could be found to do the work.

Mr. CAHAN: It is true, nevertheless.

Mr. VENIOT: I should like to accept my hon. friend's word, but I cannot accept it, knowing the qualifications of certain translators in the employ of the government.

Mr. CAHAN: But they were not under my control or direction.

Mr. VENIOT: What did the ex-Minister of Marine say? He would like to see the translator that would refuse, should the Secretary of State make a request, to comply with that request.

Mr. CAHAN: I have seen some.

Mr. VENIOT: Then you should have done your duty and you did not do it.

Mr. CAHAN: They are not under my control. If the hon. gentleman wishes to provoke a full discussion of the weaknesses and frailties of the present translation system, he had better continue along that line, because I am prepared to go into a discussion from which I have refrained absolutely up to the present moment.

Mr. VENIOT: The Secretary of State has refrained from revealing the contents of some secret investigation he made, and this house is entitled, especially when a bill of the kind comes before it, to have that information.

Mr. CAHAN: It will have all the information. If this goes to a committee for investigation it will have ample opportunity to ascertain the facts.

Mr. VENIOT: I understood the hon. gentleman was going to close the debate; he had better wait until I am through.

Mr. CAHAN: Then please don't address your remarks to me personally.

Mr. VENIOT: I am addressing them to the Secretary of State, not personally to the hon. gentleman.

Mr. CAHAN: I cannot in this parliament separate myself from my official position.

Mr. VENIOT: I am addressing the Secretary of State through the Speaker.

Mr. CAHAN: That is better.

Mr. VENIOT: Now let me go further. Fourth, do not allow young bilingual clerks and typists to handle the translation of any documents. This is carried on too much and I know it, and the Secretary of State agrees with me. No. 5: With reference to the debates of the commons, see that a typewritten copy of the English transcript is handed to the Commons staff of translators just as soon as the English reporters can furnish it, and have the French translators begin translating when they receive that typewritten copy. Instead of doing that, what happens? Why, Mr. Speaker, the French translation of Fridays' debates is not out yet—why? Because the French translators are not allowed to handle the translation of these debates until after they have gone to the King's Printer and come out, not in galley form, but on loose page forms and transferred to the translators of the Commons and Senate for publication. Is that fair? Mr. Speaker, the Secretary of State I believe knows that; and I believe he has known it for some time. Why then did he not attempt to apply that remedy?

Mr. CAHAN: I know more than that. I know that the debates of one of the chambers of this parliament, which should have been in in September, 1932, are coming only within the last month, into the Department of Public Printing and Stationery for printing—more than one year's delay. Talk about three or four days!

Mr. VENIOT: Is that the fault of the translators?

Mr. CAHAN: I do not know, but it is a shameless condition.

Mr. VENIOT: The hon. gentleman is leaving that impression and that is why I ask the question.

Mr. CAHAN: I do not know that it is the fault of the translators.

Mr. VENIOT: No. 6: Weed out any incompetent translators. I would not stand for a moment having in the translation service of the country any man who did not carry on his work faithfully and properly. Weed them out and put in men who will do their work properly.

Now, Mr. Speaker, we were told the other evening by the Solicitor General—and if I quote him incorrectly I hope he will put me right; I do not wish to misquote him—that translators will not be removed from departments to the central bureau if the heads of the departments do not wish it. I understood from him that that was what he had in his mind. Now, if that is the case what will happen? The Secretary of State has told the house that there will now be two branches of the translation bureau, as I understand; one will be the branch in charge of the translations of the House of Commons and Senate, and the other will be the branch in charge of the translators from the various departments who will be transferred there. If what the Solicitor General says is correct, what will happen if ministers of various departments refuse to allow their translators to go to the central bureau? There is absolutely nothing in the act that compels them, and therefore you will have a disarrangement of the whole shooting match, so to speak.

I have another objection to the central bureau; I find it in my notes and I will deal with it right away. That is to say, there will be no privacy, as in the various departments, in connection with the translation of important documents. Perhaps forty or fifty

or sixty from the various departments will form the central bureau, and there cannot be that privacy which exists in the various branches of translation of the different departments. Again, may I call the attention of the Secretary of State to this fact? There is nothing in the bill which compels the production at an early date of the reports from the various departments. No doubt, when a close scrutiny is made of this bill, the Secretary of State and the committee will discover things that are lacking, which we may not discover at the present moment. I wish to draw the attention of the Secretary of State to that part of it. Under this bill there is no control given to the chief superintendent of the bureau over the production of papers for translation. That being the position I cannot for one moment understand how it will be possible to create greater efficiency unless some of the methods I have suggested are adopted. If they are adopted there is no necessity for a central bureau; if they are adopted the remedy is easy, and the evil could be eliminated without the organization of what must become a very costly bureau. It is well known that concentration or centralization in all branches of government are, in the end, more costly than before centralization has taken place. What is necessary to-day, as I stated when I spoke previously, is specialization. If specialization in translation is carried to the proper point we shall not have the spectacle of the enormous number of mistakes that the printer has to correct after the proof is read.

While I am on that point, let me ask the Secretary of State how it is that in talking about extra costs incurred because of these numerous mistakes he did not at the same time take the house into his confidence and tell us what cost was involved in the correction of the English version.

Mr. CAHAN: The cost which I mentioned applies to both the translation of the English into French and of the French into English.

Mr. VENIOT: That is not what I asked. There is an English version published entirely in English, which is not a translation.

Mr. CAHAN: It contains translations.

Mr. VENIOT: In many cases they do not contain translations.

Mr. CAHAN: That is preliminary copy we get from day to day.

Mr. VENIOT: No. Some of the departmental reports are not translated into French; many of them are not. None of the reports of the Department of Mines is translated into French.

[Mr. Veniot.]

Mr. CAHAN: Which one does the hon. member say is not translated?

Mr. VENIOT: I say there are several. You are in a better position to find out than I am.

Mr. CAHAN: I have a complete list before me.

Mr. VENIOT: Yes, and you may deal with it. The Secretary of State has told us on many occasions he has had to procure outside help for translation. In particular he mentioned the translation of the speech from the throne. Hon. members know that the speech from the throne contains expressions to be translated into French which would almost require the services of a technical translator. Many of the ordinary translators do not begin the work of translating such a document having in mind the thought that one cannot attribute to His Excellency the Governor General the first person singular. In many instances that mistake is made.

I do not know who translated the last speech from the throne, nor did I attempt to find out. I do know, however, that it is an example of the worst French that has ever appeared on paper. I make this reference, sir, in order to prove my argument that specialization is necessary. Had this document been given to a translator who had specialized in such documents, the errors which have crept in would have been avoided. I do not pretend to be an authority on the French language. Unfortunately for me I did not have the opportunity of obtaining an education in my native tongue; my tuition was entirely in English. But I do know the significance of a translation from English into French which does not indicate in French the meaning of the English text. Let me refer to one or two points in the speech from the throne in connection with which the translation must be criticized. I find the expression:

> You are summoned for the dispatch of public business at a time when there are sound reasons for believing . . .

And so on. What translation do we find? This is the translation:

> Au moment où je vous réunis pour expédier les affaires du pays, de fortes raisons . . .

And so forth. Where does His Excellency the Governor General say "je vous réunis pour expédier les affaires du pays"? He says: "You are summoned," and it should have been easy for the translator to find a phrase which would give a proper translation. Let us consider another translation which puts an entirely different meaning on one part of His Excellency's speech. Referring to the unem-

ployed young men in the camps, it is stated in the speech placed in the mouth of His Excellency by the government, that these men are employed in the camps because they lack employment. In the French translation the impression is left that they are not so employed because they are out of work but because they are unmarried. That is an entirely different version from the one which appeared in the English text.

Then, referring to the trade arrangements with Germany and Austria, what do we find? His Excellency refers to the favoured tariff treatment given by those nations to Canadian products. The French version does not refer to the products of Canada receiving such treatment, but indicates that the tariff of the other countries is receiving it. I could go on with more examples, but there is one remarkable rendition of English into French to which I wish to refer. His Excellency uses the expression, "after the fullest discussion," and the translation of the words "fullest discussion" appears as "d'une abondante discussion." It would not take a Frenchman versed in the principles of translation to give a better translation than that. Who ever heard of "abondante" in that sense? Nobody.

I could give many other instances, but before concluding may I draw the attention of the Secretary of State to the interpretation placed by the Solicitor General upon section 3 of Bill No. 4, that there is a greater status given to the French language in the parliament of Canada. As I have stated before, under section 133 of the British North America Act the status of the French language is recognized. But the Solicitor General states that we have before us a bill which, by act of parliament, will give a still greater status to the French language. When the Secretary of State rises to conclude the debate, will he say whether he is prepared to subscribe to the interpretation placed upon Bill No. 4, so far as the French language is concerned, by the Solicitor General?

Mr. VINCENT DUPUIS (Laprairie-Napierville) (Translation): Mr. Speaker, may I briefly express my views of the present discussion? I have not the presumption of being able to add much to the speeches delivered on both sides of the house; however as the representative of the constituency of Laprairie-Napierville, destined to disappear from the electoral map, I deem it my duty,—on behalf of my constituents,—to state my views on the present bill.

Previous to discussing the merit of this measure, I am greatly pleased to associate myself with the hon. members who preceded me in this debate in expressing my appreciation and proclaiming the ability, equity and broad-mindedness of the Secretary of State, the sponsor of this bill. I take pleasure in expressing to the honourable Solicitor General (Mr. Dupré) my sincere appreciation of the distinguished tone of his remarks and of the high plane on which he has placed this question. I think it is perfectly useless, in an assembly like this, to indulge in vulgar personalities, and it is a real pleasure to hear an honourable member of this house, from any party, speak with dignity and respect the opinions of his opponents, while upholding his own views.

It has been a labour of love for me to study in all its details the history of my country. I have noticed in our parliamentary history that in the time of John A. Macdonald, Laurier, Tarte, Lemieux, Tupper and all the other illustrious men who have graced this parliament, public affairs were always discussed in the same spirit that the honourable Solicitor General has shown in the present debate. It seems to me that we should be inspired by that exalted spirit of our forefathers, and that we should be respectful of that tradition in this house. It is for that reason that I take the liberty of expressing my sincere gratification to all those who have spoken in the spirit we have noticed in the Solicitor General's remarks.

In the part I intend to take in discussing this bill, I shall give first place to the personality of the honourable member for Labelle (Mr. Bourassa). Our honourable friends sitting to the right of the Speaker attach much importance to his authority. Mr. Speaker, I shall say that since my early youth I have followed closely the political struggles which have characterized the history of recent years, and I have always taken great interest in the speeches and opinions of the honourable member for Labelle. I have not always shared his views, but I have always had some admiration for his character. Although I dislike violence in discussion, and while admiring the great moderation shown by our illustrious leader Sir Wilfrid Laurier, I used to take pleasure in going to the political meetings where Bourassa was thundering with his fervent eloquence and proclaiming his patriotism, which nobody ever questioned.

We must admit that times have changed. I do not think that the honourable member for Labelle, with his customary modesty would deny or resent my opinion that he was representing no other views than his own when he spoke in the present debate. He certainly was not expressing the opinion of his electors, and

notwithstanding all the respect we may have for his character, I do not think that the people of the province of Quebec would follow him in the direction he has taken a few days ago.

Mr. Speaker, any man may change his own mind. I think Mrs. Asquith said one day that only God and fools never change their mind. She was perfectly right. The honourable member for Labelle has changed his mind many times in the course of his career. That may be a proof of his intelligence. But too frequent changes of mind may be the cause of errors. In my humble opinion, the honourable member's attitude towards this bill may be one of the worst blunders of his political life. The honourable member is undoubtedly sincere; nobody will question his integrity or his sincerity, but he may have erred.

On the same subject, I shall call the attention of honourable gentlemen opposite to the opinion of a man who ranks high in the history of our country, especially in the history of the great movement which had the honourable member for Labelle as its chairman and leader for a good number of years, I mean the nationalist movement. I am going to quote the words of one of the principal apostles of that movement, Mr. Oliver Asselin. Referring to the honourable member for Labelle, his old comrade of the nationalist movement, he said in the course of an interview given to a newspaper, on June 2nd, 1925:

The contradictions which are to be found in the last twelve or thirteen years of Mr. Bourassa's political career would fill a large volume.

I shall not read the rest of that article, and I have not quoted that paragraph in any derogatory sense to the honourable member for Labelle. He would be the first to have a good laugh at it. I only wish to say to the honourable Solicitor General and to the other members opposite, that they make a mistake in relying too much on the authority of the honourable member for Labelle, as he did in his eloquent speech of yesterday in favour of this bill.

Allow me now, Mr. Speaker, to discuss certain points of this bill. The honourable Solicitor General says that section 3 of the bill shall result in greater efficiency in the translation services. But he insists especially on the point that the rights of the French language are enlarged and made more secure by this bill. He gave us his interpretation of section 3. But he did not say a word of section 6 .

I respectfully submit that, from the legal standpoint, section 3 has not the force claimed for it by the hon. Solicitor General. The section says:

[Mr. Dupuis.]

3. (1) There shall be a bureau under the minister, to be called the Bureau for Translations, the duties and function of which shall be to collaborate with and act for all departments of the public service, and both houses of the Parliament of Canada and all bureaus, branches, commissions and agencies created or appointed by act of parliament, or by order of the governor in council, in making and revising all translations from one language into another of all departmental and other reports, documents, debates, bills, acts, proceedings and correspondence.

For the accurate understanding of the consequences of this section and should add, after the word "correspondence," that the minister under whose authority the department will be placed, will be empowered to decree, by order in council, under section 6 of the same bill, what documents are to be translated, and the said documents will be translated on the order of Secretary of State. To prove this, may I be allowed to read section 6?

6. (1) The minister, with the approval of the governor in council, may make all regulations which are by him deemed necessary or expedient for carrying into effect the provisions of this act.

Section 6 goes further still. Here is subsection (2):

(2) Any such regulation so approved by the governor in council in pursuance of this act shall be of the same force and effect as if it had been enacted herein.

The broadmindedness of the hon. Secretary of State is admitted by all the members of this house, without distinction of party. But what guarantee have we that at some future time there may not come on the scene a Secretary of State, of whichever party it may be, who will take a narrow-minded view of the situation and, for instance, restrict the use of the French language in the various departments, by having translated only such documents as he sees fit? He is empowered, under section 6, to have translated only such documents as he deems proper. That part of bill 4 causes some anxiety. I submit that the powers granted the minister in charge of the translation service are far too wide and may lead to radical departures, the consequences of which can readily be foreseen. We should not grant such wide powers to any one individual; let us keep our prerogatives.

Mention has been made of privileges. I think the hon. Secretary of State admitted that when the bill is up before the committee he intends to move that the translation service be divided into two branches. But then, to repeat the question asked by the former Minister of Marine, why bring down a bill for the purpose of regulating the translation service in the House of Commons

and the Senate? This house has the power to regulate the said service by a resolution of its own. I will go even further than the hon. member for Richelieu: I say that the government, by an order in council, can regulate the translation service in the House of Commons and in the Senate, just as the Senate has the power to regulate its own translation.

We are told that the privileges of this house are not affected. It seems to me that the British people, and, following in their wake, the Canadian people, have, for generations past, fought enough and striven enough, at the cost of untold sacrifices, to gain the privileges, the prerogatives and the rights that we possess; and we should not consent to have them done away with through any such bill as this; we should not allow any further breach in the constitution.

The British North America Act, section 18, defines the privileges and the powers of the House of Commons. Section 18 was substituted in 1887, for the previous section. This section provides that no act passed by parliament must exceed the privileges that the House of Commons presently enjoys. I quote, in English:

—but so that the same shall never exceed those at the passing of this act held, enjoyed, and exercised by the Commons House of Parliament of the United Kingdom of Great Britain and Ireland and by the members thereof.

It is evident, therefore, that the section was drawn up with the most scrupulous care, so as to jealously preserve the prerogative of this house. We are told that the matter is not one of importance. I noticed, a while back, that the hon. Minister of Marine said that no importance attached to the sacrifice of these privileges, if the rights of the French tongue were increased thereby. I take the liberty of quoting his hon. leader to contradict him.

In his speech on the address, at the beginning of the session, speaking on the subject of titles and the rights and privileges of the House of Commons, January 30, 1934, the right hon. Prime Minister said, page 100 of Hansard, speaking of the House of Commons and of its members:

They may pass a resolution, if they so wish, asking, nay instructing the Prime Minister by a majority of the chamber that they do not wish any further recommendations to be made.

And he added:

That privilege lies in this House of Commons. But I do entreat those who are concerned about the maintenance of our institutions, who love our constitutional liberties and realize the extent to which they rest upon the exercise of prerogative, and extent of which some have little understanding because they have not investigated, not for one moment to conclude that the House of Commons by a majority vote in 1919 could divest the soverign of this empire and of this dominion of the prerogative which he possesses in respect of honours and awards.

If I may interpret freely the words of the right hon. Prime Minister, I would earnestly urge the hon. members opposite to abstain from concluding that the House of Commons, by its vote on the bill now being considered, can divest itself of its prerogatives which are in respect of constitutional liberties secured as a result of the struggles waged by our ancestors.

I wonder, Mr. Speaker, how it happens that, in this year of our Lord 1934, the government decided to introduce this bill. Was it really a case of emergency? Would it be that the defects referred to by the Secretary of State and concerning which information was denied to us, are of such seriousness, so far reaching that, in his wisdom, he deemed it necessary to introduce his bill at the present time? Could he not have waited another year or so, or, as was quite properly pointed out by the hon. member for Richelieu (Mr. Cardin), wait until the house had obtained further information through a full investigation, by a committee of the house or a royal commission, of the charges laid? Why the urgency in connection with the bill? I do not know. I think the hon. member for Labelle (Mr. Bourassa) himself has given us the real reason. We are told that the bill will result in a considerable saving of public funds. A few minutes ago, with the eloquence that characterizes him, the hon. member for Richelieu (Mr. Cardin) has shown that instead—

Mr. BARRETTE (Translation): You should not spoil his speech.

Mr. DUPUIS (Translation): —instead of resulting in a saving, the proposed system would prove most costly.

The hon. member for Berthier-Maskinongé, may I say incidentally, will be kind enough to refrain from interrupting me. I think he should save up his energy in order to obtain from the government a million dollar subscription in behalf of the university of Montreal. That would offset to some extent the aspersions made by the hon. member for Compton (Mr. Gobeil). Mr. Speaker, I fail to see what motives are actuating the government in pressing the bill. From my hon. friends opposite, and particularly the hon. Minister of Marine (Mr. Duranleau), I may inquire whether they could not have devoted the energy, the time

and the money now being spent in connection with this totally unwarranted bill, to a better end than that now sought by them, to more urgent and worthy matters. Surely, in the constituency represented by the honourable Minister of Marine, there must be some people in want. Far from me the idea of appealing to popular feelings, but after all, we must be mindful of the people since we are their representatives, we must realize their hardships, their needs, and remember the promises made to them in order to come into power. So, I urge the hon. members on the other side to implement their pledges instead of exerting themselves to secure the passing of a bill which perhaps might be considered in days of prosperity but should never have been introduced at a time when hardships prevail in every home, despair is assailing the hearts of the people, and doubts are entertained as to the future ahead of us. Would it not be more useful and a hundred fold more appropriate for the honourable members of the government to try to redeem their promises of 1930? These pledges have been so often recalled in this house that it would be a waste of time for me to mention them once more. The government knows what was promised. In order to avoid being considered as vain boasters, as men lacking in sincerity and unmindful of the people, the members of this government should, from this very day, devote the time we are spending now in this house on a bill that could perhaps be considered at a later date, for which there is no urgency to the passing of measures likely to bring relief to the people, and thus redeem the pledges taken by their leader as well as the false promises made after him.

I would ask the honourable minister, whom I hold in great esteem, with whom I have always dealt fairly and whom it is my intention to always treat with the fairness that should become a representative of the people, to redeem the promises he made in his constituency and elsewhere in connection with the Victoria bridge, when he undertook to abolish or reduce the tolls charged for the use of that bridge, in the interest of the farmers of the south shore who transport their products to Montreal.

An hon. MEMBER (Translation): That has no connection with this bill.

Mr. DUPUIS (Translation): Could he not better employ the time he spends uselessly and come to the relief of farmers who are on the verge of starvation, and whose self-denial is so greatly admired by all? The Canadian farmers, whatever race they belong to, have set an example to all the countries of the world as well as to our various social classes. They have shown their courage and self-denial in the present crisis. But the people's patience and spirit of sacrifice must not be taken advantage of. It is high time that the hon. gentlemen who hoisted themselves to power through pledges that they soon forgot, although they may have been genuine at the time, it is high time, I state, that they redeem these pledges. The people clamour for relief, the more so because members of this government made promises which then seemed genuine.

To use the words, sir, of one of the greatest geniuses the world has known, I say to hon. gentlemen opposite: Canada has her eyes on you, she expects you to redeem your pledges, she awaits your help. I do not expect you to relieve the crisis which, at present, prevails over the whole world; however, I am honest enough to admit that the crisis has somewhat to do with the distress existing, to-day. May I ask hon. gentlemen opposite whether they were as frank in 1930? Why did hon. gentlemen not mention that the distress which had made its first appearance in 1929, was the result of a world wide crisis? Yet, at that period, the people were more prosperous than to-day. They are becoming impatient. Of all nations, the Canadian people have shown the greatest fortitude. No doubt they are still willing to bear up; however faced with the distress of the people, hon. gentlemen must act, they must discontinue these useless discussions, these measures which have no earthly reason to exist; relieve the people and they will be grateful to you. What I desire—hon. gentlemen also desire—is the welfare of our country. The constituency I represent will disappear after parliament is prorogued; let the government fulfil its promises and I shall support it. I shall willingly lend a hand to the hon. Minister of Marine, if he will only redeem one-tenth of the pledges of his leader! Are hon. gentlemen ready to redeem these pledges?

The hon. Solicitor General explained the difference between the principle and the accessory; he informed us that the principle was an additional guarantee to the rights of the French language which the bill assures us. That is establishing such a fine distinction between section 133 of our constitution and this bill, that I am at a loss to follow him. The subtlety is so great that my answer to the hon. Solicitor General is: of what service are the laws which are not put into practice?

I do not wish to appeal to race prejudices and my hon. friend the Solicitor General has neither the right to do so. Whatever may be the races which form the population of this country, I am certain that the monopoly of justice, equity, truth and of all that is good in the human heart is not centred in one race, in particular. It does not belong more to the Canadians of French origin than to the Canadians of English or Scotch origin. It is in the heart of all well thinking citizens —and they are the majority. I place more trust, sir, in what is good in my fellow-citizens, whatever religion or race they belong to, than in any useless law text. To use, in closing my remarks, the thought of one of the greatest writers of modern France, may I say:

What matters whether justice is embedded in the law, if it is not deep in the heart. And if the heart is bad of what good is the equity which governs the law. Keep the compass and the level away from the crafty surveyor, for with well adjusted instruments, he will apportion unfairly. As long as men are misers and cruel, they will interpret the kindest laws cruelly and will despoil their brothers with words of love.

Mr. Speaker, the law counts for little. It is the spirit of the law, the spirit born from feelings existing in the heart which counts. I shall close my remarks by stating that the whole of this discussion is futile; we have thrown away considerable money uselessly; we have wasted too much time in the discussion of this bill, and were I permitted to make a suggestion to the government, I would say: Set aside all these measures, do not endeavour to decoy the people with such humbug as that of the inquiry on the spread of prices. The government endeavours to becloud public opinion with investigations such as the committee on agriculture held on milk, last year. I ask the hon. Minister of Marine, as well as all his colleagues: Where is there a farmer who sells his milk at a higher price since this inquiry was held? What authority has this house to interfere, even by a whit, with the rights the farmers possess in each province, in connection with milk? This question is within the jurisdiction of the provincial legislatures; however, hon. gentlemen opposite wished to justify themselves by holding this investigation and it had absolutely no results. At present, there is an endeavour to lull the public by holding investigations such as the spread of prices, the radio and another one, the name of which has escaped my memory. Forget all this useless legislation and get down to brass tacks so that the people may say: Party lines have been broken, we shall support you if you come to our relief—the government has set aside party strife, they endeavour to prove their goodwill, give us proof of this goodwill and I feel certain the Canadian people will feel happier than at the present time.

Hon. C. H. CAHAN (Secretary of State): Mr. Speaker, no one has been more surprised than I at the reception which this bill has received from certain of my hon. friends who sit to your left. There is evidently a misapprehension in the minds of my hon. friends who think that this bill is projected to attain some partisan end or some political advantage. I can assure them that I was never less partisan than when I introduced this bill and endeavoured to place it fairly before the house for consideration of hon. members on both sides. I find that there is a considerable difference of opinion, but I trust that when this bill is referred, as it certainly will be, to the select special committee, those who are interested will appear and give evidence with regard to the utility of this measure.

There are some matters in connection with the present translation system which must be amended. A political institution cannot survive unless it is efficiently maintained and utilized as an instrument of public service. The present translation system is defective. The hon. member for Gloucester (Mr. Veniot), even the hon. member for Richelieu (Mr. Cardin), and other hon. members have suggested that modifications and changes might be made in the present system which would prove to be of great public advantage.

Mr. SPEAKER: Is it the desire of the house to continue the discussion of this bill or to adjourn, it being now eleven o'clock?

Some hon. MEMBERS: Go on.

Some hon. MEMBERS: Eleven o'clock.

On motion of Mr. Cahan the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, March 7, 1934

The house met at three o'clock.

PRIVATE BILLS COMMITTEE

First report of the select standing committee on miscellaneous private bills—Mr. Hanson (York-Sunbury).

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

WHARFAGE RATES ON LUMBER AT PUGWASH, N.S.

Mr. ILSLEY:

1. What was the wharfage rate charged by the Department of Marine as top wharfage for lumber for export between May 1, 1933, and December 1, 1933, at the public wharf at Pugwash, Nova Scotia?

2. What was the wharfage rate charged by the Department of Marine as top wharfage for lumber for export between May 1, 1933, and December 1, 1933, at the public wharf at Pictou, Nova Scotia?

Mr. DURANLEAU:

1 and 2. Ten cents per 1,000 feet deal measure.

IMPORTS OF AUSTRALIAN AND NEW ZEALAND BUTTER

Mr. SEGUIN:

1. What quantity of butter from New Zealand entered Canada each year from 1930?

2. What quantity of butter entered Canada each year since 1930, coming from Australia or any other country?

Mr. STEVENS:

1. Canada's imports of butter (entered for consumption) from New Zealand for the calendar year 1931, 1932 and 1933, were:

Years	Pounds
1931	344,320
1932	50,972
1933	1,199,632

2. Canada's imports of butter (entered for consumption) from Australia or any other country, for the calendar years 1931, 1932 and 1933, were:

Imports from	1931 Pounds	1932 Pounds	1933 Pounds
Australia	2,264,696	160,632	....
Fiji	9,408	....	....
Newfoundland	300	....	....
Syria	160	....	75
United Kingdom	181,594	12,008	170,464
United States	20,839	12,533	6,966

FRUIT AND VEGETABLE INSPECTION

Mr. FRASER (Northumberland):

1. How many cars of apples were inspected by the fruit and vegetable inspectors of the Department of Agriculture in British Columbia, Ontario, Quebec, New Brunswick, and Nova Scotia, respectively, during the fiscal year ended March 31, 1933?

2. What was the total amount of the inspection fees for apples collected in each province during the fiscal year ended March 31, 1933?

3. How many inspection reports upon apples were issued free of charge during the fiscal year ended March 31, 1933?

4. What was the total amount of the inspection fees for all fruits and vegetables collected by fruit and vegetable inspectors in each province during the fiscal year ended March 31, 1933?

[Mr. Cahan.]

Mr. WEIR (Melfort):

1.

	Cars
British Columbia	5,258
Ontario	1,936
Quebec	109
New Brunswick	260
Nova Scotia	3,127

2. Nil.

3. 570.

4. Nil.

LIFE INSURANCE BUSINESS IN CANADA

Mr. COOTE:

1. What was the total amount of loans on policies of life insurance companies operating in Canada on December 31st, during each of the last ten years?

2. What was the total amount of policies lapsed in life insurance companies operating in Canada during each of the last ten years?

3. What was the total amount paid to policy holders and beneficiaries in each of these years?

4. What was the total amount of premiums paid by policy holders during each of these years?

5. What were the number and value of ordinary life insurance policies in force in Canada at the end of 1932, or any other available date, in each of the following groups: (a) under $1,001; (b) $1,001 to $2,000; (c) $2,001 to $3,000; (d) $3,001 to $4,000; (e) $4,001 to $5,000; (f) $5,001 to $10,000; (g) $10,001 to $20,000; (h) $20,001 to $30,000; (i) $30,001 to $40,000; (j) $40,001 to $50,000; (k) $50,001 to $100,000; (l) $100,001 to $500,000; (m) $500,001 to $1,000,000; (n) over $1,000,000?

Mr. BENNETT: With respect to these questions it is obvious, since the decision of the privy council, that the dominion government is not in possession of all the information that has to do with the questions asked, as the provinces are solely in possession of information with respect to some companies issuing life insurance policies in Canada. Under these circumstances any answers given would be wholly inadequate and improper.

Mr. SPEAKER: Questions dropped.

COMBINES INVESTIGATION ACT

Mr. HURTUBISE:

1. On what date or dates was the Combines Investigation Act passed in Canada?

2. In what year was same act declared intra vires by privy council?

Mr. GORDON:

1. Assented to June 13, 1923.

2. January 29, 1931.

Mr. HURTUBISE:

1. From 1921 to 1925, inclusive, were there any firm or firms investigated under the Combines Investigation Act?

2. If so, how many firms were investigated and what was the name of each firm?
3. Was there any fine imposed, what was the amount imposed on each firm and what amount was paid by each?
4. Was there any firm dissolved after preliminary investigation, and if so, what was the name of such firm?

Mr. GORDON:

1. Yes, from 1923 to 1925.

2. Three principal investigations: (a) distributors of fruits and vegetables in western Canada; (b) coal dealers at Winnipeg and other places in western Canada; (c) wholesale distributors of New Brunswick potatoes. Over 50 other cases dealt with.

3. Western fruit combine case. Fines totalling $200,000 imposed and paid, in 1926, $25,000 on each of four companies and four individuals.

4. No information.

Mr. HURTUBISE:

1. From 1926 to 1930, inclusive, was there any firm or firms investigated under the Combines Investigation Act?

2. If so, how many firms were investigated and what was the name of each firm?

3. Was there any fine imposed, what was the amount imposed on each firm, and what amount was paid by each?

4. Was there any firm dissolved after preliminary investigation, and if so, what was the name of such firm?

Mr. GORDON:

1. Yes.

2. Five principal investigations: (a) bread bakeries in Montreal; (b) distributors of fruit and vegetables produced in Ontario; (c) wholesale and retail druggists and manufacturers (Proprietary Articles Trade Association); (d) plumbing and heating contractors and others in Ontario (Amalgamated Builders' Council); (e) electrical contractors in Toronto (Electrical Estimators' Association). Over one hundred other cases dealt with.

3. (a) Amalgamated Builders' Council—Fines totalling $45,200 imposed and paid in 1930 and 1931, as follows:

1 fine of	$10,000	$10,000
1 fine of	8,000	8,000
2 fines of	4,000	8,000
1 fine of	3,000	3,000
2 fines of	2,000	4,000
9 fines of	1,000	9,000
2 fines of	800	1,600
1 fine of	500	500
11 fines of	100	1,100
Total		$45,200

(b) Electrical Estimators' Association—fines totalling $26,200 imposed in January, 1932, as follows:

7 fines of	$2,500	$17,500
8 fines of	1,000	8,000
7 fines of	100	700
Total		$26,200

4. No information.

Mr. HURTUBISE:

1. During the years 1931, 1932, 1933, were there any firm or firms investigated under the Combines Investigation Act?
2. If so, how many firms were investigated and what was the name of each firm?
3. Was there any fine imposed, what was the amount imposed on each firm, and what amount was paid by each?
4. Was there any firm dissolved after preliminary investigation, and if so, what was the name of such firm?

Mr. GORDON:

1. Yes.

2. Six principal investigations: (a) bread-baking industry in Canada; (b) motion picture industry in Canada; (c) manufacturers of radio tubes and sets; (d) manufacturers of fruit and meat baskets, Ontario (Canadian Basket Pool); (e) Canadian tobacco manufacturers and other buyers of Ontario tobacco; (f) importers and distributors of British anthracite coal in Canada. Over one hundred other cases dealt with.

3. (a) Canadian Basket Pool—fines totalling $1,500, $100 on each member, imposed and paid; (b) importers of British anthracite coal—fines totalling $30,000 imposed as follows:

2 fines of	$7,000	$14,000
1 fine of	6,000	6,000
2 fines of	5,000	10,000
Total		$30,000

Not paid pending result of appeal.

4. No information.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CIVIL SERVICE CLERKS

Mr. ST-PERE:

1. What are the names, date of appointment and rank of eligible list of clerks, grades I and II who have been appointed to the public service during the fiscal year ending March 31, 1933?
2. Has the Civil Service Commission offered any successful candidate for grade II position the chance of accepting appointment in any grade I position?

3. Is the order of merit and rank strictly followed by the Civil Service Commission in making appointments from the eligible lists available?

FEDERAL DEPUTY MINISTERS

Mr. CHEVRIER:

1. How many deputy ministers, including persons with the rank of deputy minister, are there in the public service of Canada?
2. How many deputy ministers have been retired since August 7, 1930?
3. How many deputy ministers have died since August 7, 1930?
4. What is the total amount paid annually, or to be paid on termination of retiring leave, as annuities to deputy ministers retired since August 7, 1930?
5. What are the total annual salaries, including deductions, paid to the deputy ministers appointed to replace those retired since August 7, 1930?

EGG AND HOG GRADING ACTS

Mr. F. H. PICKEL (Brome Missisquoi) moved:

That, in the opinion of this house, the Egg and Hog Grading Acts should be amended.

He said: In bringing this resolution before the house I want to make it perfectly clear that I am not averse to the grading of farm produce provided the farmer is not exploited in the operation. If the farmer is properly safeguarded I am decidedly in favour of the grading of farm produce, with the idea of improving the quality. The farmer does not desire to have impossible regulations and restrictions imposed against the middleman who undoubtedly plays a very important role in the economic life of the farmer.

Mr. SPEAKER: Order.

Mr. PICKEL: I agree that he is justly entitled to reasonable remuneration for his services so performed.

Mr. SPEAKER: It is desirable that hon. members preserve better order. When one conversation is going on it is bad enough but with fifty it is difficult for the member speaking to make himself heard.

Mr. PICKEL: It would be almost impossible, Mr. Speaker, for the farmer to-day to make the necessary contact with the consumer to dispose of his goods if it were not for the intervention of the middleman. But I do not think it is necessary that the middleman should make a fortune in a year or two while the farmer is forced to a lifelong struggle for a mere existence. This pathetic and unbearable plight of the farmer did not spring up overnight, it has been coming on for a long time—for many years. Much time has been occupied in this chamber in discussing this problem of the betterment of the farmers' position. Much valuable time has been lost in the futile debates that have taken place here simply because hon. members did not and do not realize or fully appreciate the grievous burdens under which the farmer is compelled to labour. Apparently many hon. members consider that if the agriculture estimates are increased continuously and consistently from year to year, that is about all that can be done for the farmers. This attitude of mind was well evidenced in the speech delivered by the hon. member for St. Johns-Iberville (Mr. Rhéaume) on the debate on the address. The farmer need not expect much assistance from members of his mentality. In the case of this hon. gentleman, however, nothing much else could be expected because he is a distributor, and later I will have more to say about that phase of the question. Much can be done by this government to assist the farmer and enable him to get back on the road to prosperity, without the expenditure of a great deal of money. Legislation could be and should be enacted at once to regulate the orderly marketing of the products of the farm.

It is not my intention, sir, to criticize the intricate framework of these two grading acts, but I should like to point out to the house some methods by which the products of the farmers are put right into the hands of the packers and commission men. Let us take first the Hog Grading Act and look at its inner workings. The hog grader is a government employee, but he never comes in contact with the producer. He lives with the packer; they are bosom friends; they are pals, and he is going to do anything he can to help his pal. The hogs are sent to a central point for grading, where they are looked after and graded and where the price is set by people whose object is to make the price and grade just as low as possible. I should like to cite one or two instances to indicate the hardships that have been worked on our farmers, and I could mention scores of cases of this kind. In one of the best swine counties in this dominion, where they have spent a good deal of time and money on their stock, from 1922 to May 1, 1932, one dealer averaged one or two carloads a week; probably over the whole period he would have shipped between 12,000 and 15,000 hogs. Out of that number he had two selects. Another dealer took in a load of about 45 hogs to Montreal. He took them to the abattoir, and one of the graders who came around stepped in amongst the hogs and

said, "You have two selects." This gentleman replied, "I think we had better put these into a pen here and wire Ottawa to have someone come and grade them. I have been a swine judge at a number of fairs in the province of Quebec for a good many years and I know a great deal more about hog grading than you will ever know." They became rather hot under the collar and argued for a while; finally they cooled down, and then this same grader gave him 37 selects out of the lot instead of 2.

The Egg Grading Act is worse than the Hog Grading Act. The egg grader is not even a government employee; he is a little two-by-four clerk in the employ of the commission house, and naturally he is going to do all he can to help the commission men. I could give the details in scores of cases where the egg producers throughout the eastern townships have been exploited in the shipping of eggs to Montreal. The condition has become so bad that the small dealer in the country will not buy ungraded eggs because every time he sends a crate of eggs to Montreal he loses. As a result the farmer is penalized; when he does take his eggs to the grocery store to exchange for goods or cash he receives a very small price because the shipper cannot afford to pay him more and take a chance on the grading in Montreal.

I should like to cite two instances with regard to the grade of eggs which were shipped to Montreal. One crate of select eggs was picked up in the morning and reached the Montreal market at noon. In two or three days the producer received a letter from the commission house giving the grade of the crate; there were two dozen selects, two dozen first, and the remainder were mostly seconds, cracked, rotten and so on. Two or three days later he picked up another crate of specially small eggs; there was not an egg in the crate that would grade over a pullet's egg. In two or three days he received a return showing that the grading was just as good as it was on the case of selects. This demonstrates that they do not look at the eggs at all; they just guess at them. I think they have a blank grading which they send out to the farmer, and they are stealing fifty per cent of his eggs all the time.

I have a particular case in point. On June 6 last we telephoned to a packing house in Montreal for a crate of select eggs. They were sent over, and I have here the tag which was attached to the crate. They were tagged, according to law, with letters an inch high, and we paid $6 for the crate of thirty dozen eggs, at the rate of 20 cents a dozen. That crate of eggs was shipped out by express to the eastern townships; it was repacked into another crate in the presence of witnesses and shipped back within twenty-four hours to the same packing company for sale. Here is the result: We paid $6 for the crate. It was returned to the same packing house within twenty-four hours and the return we got from it was $3.20. We had extras, $8\frac{1}{2}$ dozen at 15 cents; first, 13 dozen at 12 cents; seconds, 6 dozen at 10 cents, and cracked, 19 at 9 cents, I want to say right here that when the crate reached its destination in the eastern townships there was not a cracked egg in it, but when those eggs reached Montreal there were 19 cracked and 4 rotten. That is the kind of grading we have to put up with. I have all the evidence before me to prove what I have said, including express bills and all other documents.

As I stated before, it is not the object of the farmers to have impossible regulations imposed against the consumers, but we have to have some method by which the farmer will be assured of a just return for his goods. As conditions exist to-day I say that neither hog grading nor egg grading is satisfactory. The department states that it is doing good work, and that the consumption of eggs is increasing. I say, however, that the farmer is paying for it. He is giving his eggs away. Perhaps by making a gift of them consumption may increase, but that is not what he is farming for. He must make a living on his farm and under present conditions he cannot do it.

I therefore move, seconded by Mr. Tummon, that this matter be referred to the committee on agriculture, or a special committee, or, if it has time, the committee investigating price spreads and mass buying which is now sitting. This matter could be considered and grading regulations could be adjusted. I contend that a small good egg is just as good as a large good egg. There should be two grades, good eggs and bad eggs. Further, in my view the proper way to sell eggs is by the pound, just the same as you would sell hogs or sheep. I believe I have outlined the only logical way for the marketing of eggs.

Mr. PAUL MERCIER (St. Henri): Mr. Speaker, I have listened with a great deal of interest to the speech delivered by the hon. member for Brome-Missisquoi (Mr. Pickel) on hog grading and egg grading. Last year he came along with a motion about milk, stating that the farmer was not receiving enough for that commodity and that the consumer in the city was paying too much. The matter was referred to the committee on agriculture and a report made. No legislation, however, was

passed, the matter was simply referred back to the provinces. especially the province of Quebec.

To-day the hon. member offers a motion with regard to hog and egg grading, and asks to have it accepted by the farmers in this house. My recollection is that a few years ago Sir George Foster brought before the House of Commons a measure to have eggs sold by the pound. After discussion by members then sitting in the house the suggestion was considered unsatisfactory and was withdrawn. I must say that I see a difference between a small egg and a large egg. I do not think a consumer would pay as much for a dozen small pullet eggs as he would for the larger ones. When we go to buy eggs in the Montreal markets we find that there is a difference in the prices of eggs, small and large. The purse of the consumer also must be graded. If the Montreal consumer, paying forty cents for a dozen eggs, received four big eggs and eight small ones, he would be the subject of exploitation. On the other hand we do not want to exploit the farmer. We must remember that the consumers in the city like to get what they pay for, especially the working men in the labouring districts.

The hon. member said there should be a difference between the price paid for bad eggs and that paid for good ones. That is a reasonable and normal proposition. Certainly no one has a right to sell bad eggs on the market. The hon. member has told about shipping eggs to the city of Montreal. He said that four bad eggs were found in a crate shipped to the eastern townships and then immediately shipped back to Montreal. I do not think the fault could be traced to the egg dealer in Montreal or to the wholesale merchant. I believe it was only an accident. The hon. member cannot get away from the fact that the crate came from the country to Montreal. The four eggs were put in the crate before they were returned to the hon. member's district, and I believe it was just a case of error. One cannot draw a general conclusion from such circumstances.

The remarks of my hon. friend bring to my mind another point. When last year he spoke about milk, and again to-day about hogs and eggs, he said that the farmer is not satisfied, nor is he himself satisfied with the government's present agricultural measures. Why is he not satisfied? I must remind the hon. member that the administration is in the hands of the party to which he belongs; he is friendly to the government now in power. Why has he not asked before, and why does he not ask immediately for some redress for the grievances about which he has spoken? To-day he suggests that the question of hog grading and egg grading be submitted to the committee on agriculture. In my view the result would be the same as it was last year in connection with milk and milk products, namely lots of noise and plenty of soap box speeches, but no action or results for the farmers.

Mr. J. T. HACKETT (Stanstead): Mr. Speaker, I should like to say a word in support of the resolution of the hon. member for Brome-Missisquoi (Mr. Pickel). I believe that these regulations are so complicated—and I am now speaking particularly of those concerning poultry and eggs—as to make them unworkable. It is impossible for the ordinary farmer to grade his own produce, with the result that he must ship it to town and take the returns which come to him, without any possibility of verification or checking. I do not suggest that all packers and all middlemen are unjust and unfair, but it has come to my knowledge, and an instance has been given to-day by the hon. member introducing the resolution, that unfair practices are sometimes indulged in by the middleman. We do know that the producer is receiving a price for his commodities which, when compared with the prices paid in the cities for those commodities, is altogether too low. It occurs to me that it would be well to have these regulations inquired into and thoroughly revised. I know, for instance, that a club just outside of Montreal began buying its eggs from a producer, and it immediately came into conflict with these regulations because the producer was unable to give the certificate, which can emanate only from a licensed dealer. As the producer, the small producer at all events, can never qualify for the licence, he is not permitted to deal in these commodities, in a way that is profitable to himself. It might be that a produce exchange in the large centres which would provide for the carrying out of this inspection and the application of the act under the joint auspices of the producer, the middleman and the consumer would remedy the ills of which the farmer so justifiably, in my estimation, complains.

I think there are too many classes and kinds of poultry and eggs. I have, for instance, before me the regulations, and I find that ducks for purposes of marketing are divided into ducks and ducklings. A duckling reaches maturity eleven or twelve weeks after hatching, yet under the grading act a duck which is much older than that may be classi-

fied as a duckling, and the producer who sends a duckling to a foreign market is obliged sometimes to certify that the duckling is not a duckling, although it is in fact a duckling within the meaning of the regulation. This is merely an instance of the inadequacy of the regulations. I have much pleasure in supporting the resolution of the hon. member for Brome-Missisquoi (Mr. Pickel) asking that the regulations be reviewed and revised by the committee on agriculture.

Mr. H. A. MULLINS (Marquette): Mr. Speaker, I have not taken up very much of the time of the house this session, but I feel that the farmers of my constituency are being very unfairly treated in this matter of grading. The resolution seeks to amend the act. I would say, do away with the hog grading act altogether. It is vicious, it is unnecessary, it is absolutely against the farming interests of the country. It is in favour of the packer and not in favour of the agriculturist.

We have throughout Canada a number of hog graders. To my mind that service is an absolute waste of money. Let these agricultural students go back to the land and make money in other ways than by grading hogs for the farmer in the stockyards for the benefit of the packing industry. The total amount of money paid out for hog grading in 1933, according to the information I have received from the Department of Agriculture, was $43,-540. If you would turn that money over to the Minister of Agriculture (Mr. Weir), and I say this advisedly, to be used in putting out pure bred animals for the farmer, instead of wasting it on these chaps who are absolutely useless in any stockyard, you would be doing more good for the country. Is it not an insult to the farmers of western Canada to say that they do not know the type of hog that is demanded in the British market? The farmer knows better than these hog graders just what is wanted. I had occasion at one time to come from western Canada with four thousand hogs, when hog grading first started, and I have never touched a hog since because all the profit I got out of those four thousand hogs after they graded them in the city of Toronto was $47. I have never bothered with the hog industry since.

If hog grading in the early days did serve a purpose in teaching the farmer what type of hog was wanted for the British market, it is absolutely not needed now because the farmer knows thoroughly the type of hog that is being asked for.

Take the farmer's hog in the stockyard. The hog is put through three or four grades, and if you follow those hogs on to the rails in the packing plants you will find that a good many of them are converted into Wiltshire sides and are going over to the old country market. So the farmer is the loser. It is the farmer who is suffering, and instead of asking, as this resolution does, that the act be amended I would say that it be wiped out altogether in the interests of agriculture. When I say that, I am not speaking without experience; for fifty years of my life have been spent on the stockyards in Canada. I have watched this business of hog grading going on. Now that I represent an agricultural district in this house I am speaking on behalf of my farmer constituents when I ask the Minister of Agriculture to wipe this hog grading off the books altogether and give the farmers in western Canada a chance.

Mr. A. E. MacLEAN (Prince): I do not know whether I caught correctly the remarks of the hon. member for Brome-Missisquoi (Mr. Pickel) but I understood him to say that the egg inspectors were not in the employ of the government but in the employ of the commission houses. My hon. friend nods his head and says that that is correct. If that is the case, I think we should have an explanation from the Minister of Agriculture (Mr. Weir) because I am of the opinion that there are egg graders who are employed by the Department of Agriculture under the regulations of the Dominion government. If that is not so, we are sadly astray in our view of the situation.

I am not opposed to the grading of agricultural products, but I do know that there is some dissatisfaction regarding the egg grading regulations. I do not say that these regulations are not perhaps in the interest of the farmer himself, and undoubtedly they are a great protection to the consumer; but still there seems to be some difficulty over the country storekeeper who takes in eggs and reships them to an egg grading plant in one of the larger centres.

If the Minister of Agriculture speaks to-day I should be glad to have him clear up that point as to whether or not the inspectors are in the employ of the government.

Hon. ROBERT WEIR (Minister of Agriculture): Mr. Speaker, at the outset I should like most emphatically to deny the allegations made by the hon. member for Brome-Missisquoi (Mr. Pickel) that the men engaged in hog grading at the different live stock yards throughout the country are bosom friends of the packers, that they are in league with the packers and are working directly against the farmer. I do not think that any

hon. member of this house, no matter where he sits, can afford to make a statement like that without submitting at least some evidence as a basis for his statement.

Mr. MOTHERWELL: Hear, hear.

Mr. WEIR (Melfort): I am not speaking of hog graders simply as Minister of Agriculture for the dominion but as a farmer myself in Saskatchewan, and I want to say that I have never found anyone more anxious to help the farmer in improving the quality of his hogs, in getting better production stock, in the feeding of the stock, and so directing the farmer that with an intelligent operation of his hog industry he can obtain a higher percentage of selects or bacon hogs, and in that way get a greater return from them, than the hog graders in this country. The hon. member for Marquette (Mr. Mullins) has stated that these men would be better engaged if they assisted in the improving of the hog industry. The fact is that that is what they are doing. They are not being paid only for grading hogs, they act as field men. They give a good deal of their time to the working out of our hog policies. I do not intend to take any time in discussing this phase.

As a farmer, I cannot speak too strongly in favour of the work these men are doing. The cost is less than one one-hundredth of a cent per pound; it is in the neighbourhood of two cents per hog. At the present time we do not believe that the grading regulations or the carrying out of those regulations are all that they should be. A continual study is being made of these matters but the fact is that a system of hog grading was asked for by the producers, not by the packers or by the government. It was only after it was felt that there was a very strong demand for such a system that steps were taken to work one out. At the risk of being misunderstood, I think it can be said that the present system of grading is not of such a character that it can be told from a live hog whether that hog will make a Wiltshire side. All that can be done is to arrive at some idea of the conformation of the hog and whether it will be finished properly when processed. We have always felt that there is a good deal of dissatisfaction with the system, but it has been carried on more as promotion work than with the idea of stating whether or not a hog will make a proper side. We cannot tell simply by looking at a hog just what the finish will be or the amount of lean and fat there will be in the side after killing. The only way this can be done is by grading on the rail.

Hon. members opposite have advocated that a change should be made to grading on the rail. Conferences have been held, both during the tenure of the previous government and our own, between producers, packers and the departmental officials. An attempt has been made to find out how these difficulties can be overcome. One of the greatest difficulties in grading on the rail is identification. Hogs are shipped in carload lots from Edmonton in Alberta, say, to Moncton in New Brunswick. If these were graded on the rail the farmer would have to wait until they were slaughtered and graded before receiving his settlement. The great difficulty has been to work out a proper means of identification. This is more difficult in Canada than it is in Denmark where they have mostly co-operative plants drawing hogs from small areas. Different methods of tattooing have been tried out but they were not found to be altogether successful. Different tags have been tried as well, as this is the method of identification used in Denmark and Sweden. It is now believed that if some changes were made in the machinery of the packing plants a method of identification could be worked out. The present machines take off many of the tags along with the hair and we feel that with some slight changes being made we can work out a proper method of identification. Within the last three years hundreds of thousands of hogs have been tested on the rail as an experiment. We feel that this is the only absolute test of the value of a hog. Under the proposed regulations it is possible for a farmer to enter into a written agreement with certain packing plants to have his hogs tested on the rail by government officials. It is difficult to say what has been the value in dollars and cents in the past of these grading regulations, but I believe it has been considerable. I was in Winnipeg in January and met live stock commission men from Winnipeg, Montreal, Toronto and various other places in Canada. I have heard some drovers and some hon. members, both inside and out of the house, raise objections to hog grading. It has been stated that money was being taken away from the farmers. I put this question to these live stock commission men from all over Canada: Do you think you get more money for the hogs sold in any one year when they are graded than you do when they are not graded? The answers I received were two nays and five yeas. One of the nays came from a commission firm in Montreal.

In this connection I might state that Montreal is one of the places where grading has not met with favour and over a number of

years the quality of hogs handled in Montreal has declined more than any other place in Canada. The prices received have also declined. We have found that in those places where grading has been effective there is a steady increase in production and quality. The farmers in these places are not the kind who are in and out; they continue to produce more hogs at a uniform rate.

Mr. DUPUIS: Are there any officials of the Department of Agriculture available to the farmers in the district of Montreal to give help in the classifying and raising of hogs?

Mr. WEIR (Melfort): There are hog graders in Montreal who grade and will give assistance on request.

Mr. DUPUIS: Is that only in the city of Montreal? I do not understand that they raise hogs in Montreal.

Mr. WEIR (Melfort): Hogs coming into Montreal.

Mr. DUPUIS: Are those men at the disposal of the farmers?

Mr. WEIR (Melfort): Yes. Hogs come into Montreal from eastern Ontario, Quebec and from western Canada as well.

I think there is a misunderstanding between the hon. member for Prince (Mr. MacLean) and the hon. member for Brome-Missisquoi (Mr. Pickel) in connection with egg grading. The great proportion of egg grading is not done by government officials; it is done by the merchants who buy and ship the eggs. We have in our employ only forty-one egg graders and it would take a large army of graders to grade all the eggs delivered by farmers to the different stores throughout the country. These egg graders check up the grading of the storekeeper. It must be evident to hon. members that in the very nature of the work of these men they can deal with only a few storekeepers. We realize that the regulations have been evaded but when our graders find that the grading is out of line, steps are taken to check up the merchants and ensure that right grading is undertaken. A number of conferences have been held in an effort to improve our egg grading regulations. Personally I have been of the opinion that there were too many grades. We had specials, extras, firsts, seconds, fresh, storage, and so on. We had a conference with our egg graders, produce merchants, producers and some members of parliament, and went into the whole question. I felt that if we called one class of eggs firsts there should be none higher than that. It was decided to drop "firsts," "extras" and all that nomenclature in grading, and to draw up new regulations for the grading of eggs, A, B and C. Perhaps the hon. member who spoke first is not aware that eggs are now graded according to weight, because it does seem the only fair way to grade them.

I have before me a number of letters of approval with regard to the way in which the new grading regulations are working out, but I can assure hon. members that if the subject is referred to the committee on agriculture, no one will welcome more than I any suggestions that can be offered to the officials of the department or myself looking in any way to an improvement in the grading of eggs or hogs.

Mr. MARTIAL RHEAUME (St. John-Iberville) (Translation): Mr. Speaker, I was not in the house when the hon. member for Brome-Missisquoi (Mr. Pickel) discussed his resolution that in the opinion of the house, the Egg and Hog Grading Act should be amended.

I am fairly well acquainted with the question of hog grading on the Montreal market. As to egg grading I am not qualified to discuss the question. The grading of hogs is very important, however, it would be more important for the government to take the necessary steps—not similar to those taken after the coal investigation—so as to protect the farmers on the Montreal market or throughout the dominion. The house is aware that farmers are at the mercy of a trust, perhaps more powerful than the coal trust. There is in Montreal a company known as the Canada Packers Limited which controls the hog market. Others such as William Davies, Canadian Packing, Harris Abattoirs, Gunn-Langlois and Gunn Limited are controlled by the Canada Packers which entirely controls the Montreal market. Mention must be made that the Montreal Abattoirs is also known as the Wilsills; however, the latter is far from having the importance which Canada Packers has.

The farmer as well as the dealer who wish to ship hogs, sheep or beef to the Montreal market, are at the mercy of these two powerful companies; of those who require a commission of 5 or 10 per cent.

I have just heard the hon. Minister of Agriculture (Mr. Weir) state that an inspector is placed at the disposal of farmers to grade or select the hogs shipped to the Montreal market; this means that the farmers receive $1.00 more per head. I have here the "Journal d'Agriculture," dated March 3. One notes, for instance:

Bacon hog (select), 180 to 220 pounds, $10.
Bonus, $1.
Bacon hog, $10.

But no bonus for the latter. I wonder why a grade of hogs is given a bonus when the other, hogs of the same weight, is not. One contends that it is for the finishing. I am well acquainted with the subject and I state that on 25, 40. 50 or 100 head, you will not find 10 animals which are finished the same way. Whether it be a steer, lamb or hog, I do not think it possible to add to the animal half an inch of fat or remove one quarter of an inch; that cannot be done. With this humbug known as select, if you have 100 head, there will not be 10 which will receive a bonus of $1.00. The majority of salesmen on the Montreal market are dealers who travel through the rural sections, make their purchases from the farmers, load their trucks and ship to the Montreal market. At all events, I state that these dealers are at the mercy of trusts.

What the hon. member for Marquette (Mr. Mullins) stated, just now, was the truth, speaking of his trip to Toronto; he had brought there 4,000 hogs and returned home with a profit of about $40. I also know some who came to Montreal with as many head and made very little profit.

Another item:

Hogs ready for market 100 to 230 lbs. $10.
Light hogs and to fatten 120 to 160 lbs. $10, a cut of 25 to 50 for 100 lbs.
Heavy hogs, 240 to 270 lbs., $10, cut of ½ cent per lb.

This means that when the dealer or farmer arrives on the Montreal market and a purchaser appears, he is told that the animals are graded and that lowers the price. If a dealer sells 100, 200 or 300 pounds of fresh roast pork at 15 cents per pound, he makes no mention whether the hogs weighed 120, 140 or 180 pounds, he sells it at the same price. The dealer pays the farmer according to the price he receives himself, and the price is set by the trusts.

The same may be said about eggs which are also graded. The farmers refuse to ship eggs to the Montreal market, because they inform us that when they do so, the report they receive, after grading, show that 95 per cent of their eggs are graded as third class.

I think, sir, that it would be desirable that a thorough investigation be held so as to expose these trusts which exploit the farmers. There are companies which make enormous profits at the farmers expense, just as there are coal companies which exploit the consumers in Quebec.

Take, for instance, lambs. A large number are brought to the Montreal market at the end of September or in October. The majority of these lambs are males, immediately a reduction of 1 to 2 cents per pound is made on the price compared with the price paid for females. These lambs are slaughtered and placed in cold storage. The price paid is 4 cents per pound and with the overhead charges the cost amounts to 9 cents per pound, yet in winter these lambs are sold at 14½ cents per pound. They are the same lambs, mostly males, which are sold at your dealer. There is no grading when they are resold, the grading is only when they are purchased.

It is seldom that a dealer or farmer goes to the Montreal market with any merchandise and that the latter is graded as first quality.

The same applies to calves purchased wholesale and for which the same price is paid. When slaughtered the trusts sell them at various prices according to whether they weigh 60 to 65 pounds or 80 to 90 pounds, etc. The grading is the cause of the spread of prices. I do not find fault, it is their business. Nevertheless, I think that the dealers who purchase these animals from the farmers should be dealt with fairly, because, as I stated just now, the dealers pay the farmers according to the prices they receive on the Montreal market. I am not acquainted with the Toronto market, however, according to what I have heard, the same conditions prevail there, for I think the Canada Packers have their headquarters in Toronto and branches throughout the country which exploit the farmers, just as in Quebec. I agree with the hon. member for Brome-Missisquoi. If the government investigated the facts which I have submitted to them and which are my personal observation, I think it would prove very helpful to the farming class. The government contends that they are always willing to do all they possibly can for this deserving farming class, but once in office this good will is forgotten.

I state that the Canada Packers and other establishments of the kind in Montreal and Toronto should be dealt with like the coal companies of Montreal.

Mr. J. L. BROWN (Lisgar): I regret that I was not in the house when this discussion began. I only came in when the Minister of Agriculture (Mr. Weir) was, I presume, about halfway through his speech. I think in this matter I agree heartily with the Minister of Agriculture. It has been a matter of regret to me that during this parliament there have been attacks made on the grading system as applied to farm products, and the hon. member who sponsored this resolution seems to have been one of the leaders in making those attacks. When we come to deal with the dairy item in the estimates I propose to put on record some facts showing the effect the grading system has had on cream production

in the province of Manitoba. The high standing Manitoba now occupies in connection with dairy products is due largely, I believe, to that grading system.

However, at the moment we are dealing with the grading of eggs and hogs. The resolution is very indefinite; it simply says that the Egg and Hog Grading Acts should be amended. I do not suppose anyone will contend that the grading of hogs is by any means one hundred per cent perfect. I think we can well admit that it is not and that when grading on the rail becomes practicable it will be better than the present system. I was interested in the statement of the Minister of Agriculture that he thinks they are now reaching some system of grading on the rail that will be satisfactory; I hope that may be the case. Any person who has given any consideration to the matter will, I believe, recognize that the difficulties of grading on the rail in a country like Canada are enormously greater than in such a country as Denmark where hogs are packed within a few miles of the place where they are raised. However, I do believe that though as I say the grading system as applied to hogs is not one hundred per cent perfect, yet there has been great improvement in the quality of hogs because of the grading system. I think the Minister of Agriculture will agree with that, as well as the former Minister of Agriculture (Mr. Motherwell). In the early days of hog grading considerable objection was raised on the part of the producers, but in my judgment and as far as my observation goes in my own community, these objections have long since disappeared. Producers generally, I believe, are satisfied that the quality of the product has been improved and that, while mistakes may be made at times, and it may not be possible for a hog grader to do his grading with perfect accuracy, generally speaking not only has there been an increased percentage of select bacon hogs but the whole level of hog products has been raised. In my opinion it would be a great mistake to go back to the old system because if we are to take advantage of the splendid opportunities open to us in the English market it can only be by maintaining a high quality of product. I hope nothing will be done that will tend to lessen the standard or take away from farmers the inducement to raise a high quality produce. Therefore not only by reason of this discussion but from what I have heard the Minister of Agriculture say on former occasions, I am likely to be in close agreement with him on this matter.

Hon. W. R. MOTHERWELL (Melville): Now that the principle of grading all farm products has run the gauntlet of successive governments I think we can take it that grading has come to stay. In 1922 only one farm product that I know of was sold on the basis of grade, that was grain. Since then successive governments have extended the grading policy, until now practically every exportable article, at all events, goes forward to the markets of the world on the basis of grade, that being the only way to get the best market and to encourage quality. I have to commend the Minister of Agriculture for taking the stand he has taken to-day; it is exactly what I would hope he would do, and what I hope successive governments will do. To go back now to the old haphazard way of selling eggs as eggs and pigs as pigs would be a terribly retrograde movement, particularly as we are now looking more and more to the British market as the chief market for our farm products. As the house knows, the British government passed in 1931 the Farm Marketing Act, the purpose of which is standardization of farm products, and also to provide for the marketing of the same. Newspaper reports indicate that this government is contemplating bringing down a similar act, to provide for the marketing of farm products in Canada on the basis of grade. I look forward to such legislation with pleasure. I really cannot understand why my hon. friend from Marquette (Mr. Mullins), a gentleman who has spent his life among live stock, should speak deprecatingly of the principle of grading. I sympathize in a measure with the hon. member for Brome-Missisquoi (Mr. Pickel); no doubt he feels impelled to take the stand he has taken, not an unreasonable stand; he is asking only for amendment and amendments are always in order. I have no doubt that some of his constituents have not yet grasped the idea on which grading is based, which is, not to make government positions, not to worry the farmers, but to encourage them to produce quality products by paying for them on the basis of grade and quality. The principle is so preeminently sound that I cannot conceive of it being abandoned and the old order restored.

With regard to grading hogs on the rail, I think that is good, although it can only be carried out in the larger centres. In small countries like Denmark it is all done that way as far as I know. Most of the hogs are delivered to the abattoirs in trucks, slaughtered immediately, and are on the rail before the farmer has got his chores done

around town and wants to go home. He gets his grade before he goes, so it is quite practical there and I think it is a good policy to aim at here; it is the correct policy wherever the country lends itself to it. I am glad to see that the department has adopted that policy, and probably it will be extended as time goes on, as that was the original intention.

The question of the grading of eggs always has been a knotty problem in this house. Eggs are amongst the most difficult farm products to grade, because the quality will not stay put very long. If eggs are exposed to high temperatures, for instance, of course the quality will depreciate, and the original grader has to allow for a little deterioration which must take place in the time which elapses before the eggs reach the ultimate consumer. The new regulations which were put into force last November, I think, have simplified the grades and made them more understandable to the purchasing public. I think that is an improvement, and it is what we expect. All legislation, all regulation and all progress is based upon the experiences of the past and there is no system of doing anything that is not capable of improvement as time warrants it. I can assure the hon. member for Brome-Missisquoi that I shall be delighted to do anything I can to improve the grading of hogs, eggs or any other commodity. I notice on the order paper a fruit act which carries out the same principle, and while this looks pretty drastic on the surface I think it is all right.

I wish to assure the minister—and this is chiefly what I rose to say—that I am only too glad to be able to lend my support at this time. When I took charge of the Department of Agriculture my predecessor often gave me the benefit of his experience and his support at times when I needed it, and similarly I hope to be helpful to my hon. friend because I know what it is to have to stand up not only against one's own colleagues but also against the great body of members coming from rural districts who become irritated with every little restraint that is put on them and that they do not understand. They come back to the minister and say, "Why do you want to be worrying about these things? Let matters stand as they are. This is pure theory, it is claimed, and merely irritates the worried and already overburdened producer." But I find that if we persist in these matters and be frank with the producer, eventually the principle is accepted; then the details are improved upon and finally the whole country wonders why the plan of grading was not adopted long before. Just at this time, when we are looking to the British market, we should go forward and not backward, on quality, quantity and continuity, and that is why I rose to extend to the minister my support in his endeavour to improve matters in this respect.

Mr. W. J. LOUCKS (Rosetown): I do not propose to take up very much of the time of the house, Mr. Speaker, and I am sure I would be the last to oppose either the hog grading or the egg grading act. As the ex-Minister of Agriculture (Mr. Motherwell) has already intimated, however, there is a feeling throughout the country that justice is not being meted out, particularly in connection with egg grading, and I think there is room for improvement, because at the present time the producers are pretty well at the mercy of the retailers with regard to the grade of their eggs. If something could be done to improve that condition I think it would be appreciated throughout the country. The ex-Minister of Agriculture also said that this is one of the most difficult problems with which we have to contend, and I quite agree with that statement. As the hon. gentleman said, the fact that they do not stay put very long with regard to quality increases the difficulty of properly grading them.

It was a pleasure to me to see the agreement to-day between the Minister of Agriculture (Mr. Weir) and the ex-Minister of Agriculture in connection with the grading of hogs and eggs, and I think this would be an opportune time to place this matter before the agriculture committee. I always feel that nothing is so good that it cannot be improved and perhaps, if we send these acts to the agriculture committee for further discussion, we may find that there is room for improvement here as well. If we cannot improve them, well and good, but if we can improve them I am sure it will be appreciated throughout the dominion.

Mr. GROTE STIRLING (Yale): Mr. Speaker, the hon. member for Brome-Missisquoi (Mr. Pickel) is to be congratulated for having brought this matter to the attention of the house. I think enough has been said during the course of the debate to show that there is some misunderstanding with regard to grading and that there is a difference of opinion as to what is done and how it is done. I think it very desirable that the question should be further ventilated, and the right way to do that is to send it to the agriculture committee. I therefore beg to move:

That all the words after the word "that" be struck out and the following substituted therefor:

the question of amending the egg and hog grading acts be referred to the select standing committee on agriculture and colonization.

Amendment agreed to.

Motion as amended agreed to.

IMPORTATION OF FUEL

PROPOSED APPOINTMENT OF FEDERAL COMMISSION OF CONTROL

Mr. HERMAS DESLAURIERS (St. Mary) moved:

Whereas, the federal government contributes its share in its allowances to the unemployed;

And whereas, the coal business as carried on in Canada should be altered;

Therefore, this house is of the opinion that, in the public interest the federal government should appoint a commission in order to control the importation of all fuels in Canada.

Mr. SPEAKER: I am afraid this motion is not in order at the present time; it deals with a matter awaiting the adjudication of a court of law, and should not be brought forward in debate. I have observed by the press that the matter sought to be dealt with in this resolution is now the subject of litigation, and therefore it is not open to the house to discuss it at this time.

Mr. LAPOINTE: Has your ruling been given, sir, or may we speak to the point?

Mr. SPEAKER: I shall be glad to hear any remarks on the question of order. In my opinion the motion is not in order and is not open for discussion, but if any hon. member wishes to address the Chair I shall be glad to hear what he has to say.

Hon. ERNEST LAPOINTE (Quebec East): I submit, Mr. Speaker, that this resolution could be discussed without reference to what Your Honour has in mind with regard to a certain case which is actually before a court of law. That matter is absolutely independent from these proceedings; there are other companies importing coal apart from those the activities of which have been reviewed by the courts. I quite realize that if anything is said by the hon. member for St. Mary with reference to what is actually before the court he would be liable to be called to order, but until he does say something of the kind I do not see that he is out of order in bringing this matter before parliament.

Mr. SPEAKER: The article reads as follows:

Appeals of five coal companies from convictions and fines totalling $30,000 on charges of forming a combine will be heard at the next sitting of the court of appeals. Postponement was granted at the request of defence counsel when the cases were called to-day.

The companies are the two Canadian import companies, two F. P. Weaver companies and the British Coal Corporation. They were charged with forming a combine in restraint of trade against the interests of the public.

The resolution reads:

Whereas, the federal government contributes its share in its allowances to the unemployed;

And whereas, the coal business as carried on in Canada should be altered;

Therefore, this house is of the opinion that, in the public interest the federal government should appoint a commission in order to control the importation of all fuels in Canada.

Surely a discussion of that resolution would be within the rule prohibiting the discussion of matters awaiting adjudication in the courts.

Hon. HUGH GUTHRIE (Minister of Justice): I think perhaps your ruling is a little broad, Mr. Speaker. I am inclined to agree with the view expressed by the hon. member for Quebec East (Mr. Lapointe). So long as the debate contains no criticism of the matter before the courts, and does not involve a discussion of the cases being considered, I do not think it should be excluded in this House of Commons. The particular cases which you have mentioned to the house as having been noted in a newspaper dispatch do not involve the whole question of the importation of coal into Canada, but only, I believe, the importation of British coal; outside of that there could be consideration of importations from the United States, Russia and other countries. I think that so long as the discussion does not in any way involve matters actually before the courts it cannot be out of order. However, if in the course of debate such a discussion is entered upon by any hon. member I believe Your Honour should intervene and call the member who transgressed to order.

Mr. CHEVRIER: On the point of order, may I say that there is a rule determining to what extent a press dispatch or clipping may be used in this House of Commons. To what extent is the house seized of the fact that the matter is sub judice when we have, for the moment, no other knowledge than that which is contained in a press notice? I make this submission for Your Honour's consideration.

Mr. HACKETT: It is common knowledge.

Mr. SPEAKER: I am entirely in the hands of the house. If it is the desire of hon, members to proceed with the resolution, I am content.

Mr. GUTHRIE: Your Honour was entirely right in pointing out the difficulties before allowing the discussion to proceed.

Mr. DESLAURIERS (Translation): Mr. Speaker, the purpose of this resolution is to specially draw the attention of the house to certain trade abuses of too long standing and the victims of which have been not only the unemployed but the whole population of Canada.

Owing to the length and rigour of the winter from which we have just emerged, Providence seems to impose upon the government the task of investigating all unhuman coalition or conspiration practised in the fuel trade of Canada, in the milk and bread trade as well, and to so legislate that trusts, with hearts of stone, be forced to respect, first, our laws and be prevented from accumulating fortunes over the distress of the people.

Anthracite coal does not exist in the two old provinces of confederation, and is practically nil in the other provinces. The United States, England and Scotland, at present, supply Canada, in this respect, through the medium of Canadian companies. On October 13, 1932, the hon. senator from the division of Rougemont drew the attention of the senate to the fact that rumours had spread that certain coal companies had combined so as to maintain high prices for coal, namely up to $17 per ton, in Montreal, when, in the past, the same coal could be purchased for $7 per ton. He requested that the question be brought to the attention of the Minister of Labour (Mr. Gordon) for immediate consideration. On the promise of the hon. leader of the senate that this would be done, the upper house proceeded to another subject.

On October 21, 1932, the hon. senator for the division of Rougemont, having been informed, from a reliable source, that British anthracite coal cost the companies which imported it, $5.30 per ton, on the wharves, at Montreal, introduced in the senate a resolution adopted by the Labour Board of Ottawa, requesting the government to hold an investigation on the prices of coal in Canada, and enforcing, if necessary the act dealing with coalitions. Then, always through the intermediary of the leader of the senate, it was suggested that the senate should proceed with this question in conjunction with the Federal Fuel Commission.

On November 9, 1932, the hon. senator for the division of Rougemont again presses his point and introduces a resolution from the secretary of the Central Board of the Municipal Associations of Ottawa, requesting that the government hold a public investigation, and not an inquiry in camera, as was being done.

To force the government to hold a public investigation over the operations of these various importing companies, the act requires that the request be signed by six persons who render themselves responsible for serious and heavy liabilities, especially, to-day when we are aware of the numerous subtleties of the act invoked in a recent investigation ordered by the province of Quebec and which ended by a fine, rightly deserved, imposed on some of these companies. I do not intend to carry on, in the house, the trial of the coal importing companies whose case is pending—an appeal having been lodged—and who may appeal even to the privy council and obtain, in four or five years, a judgment corresponding to the one in connection with the Labrador coast. I have not the right.

Mr. BARRETTE (Translation): Then why bring up the subject.

Mr. DESLAURIERS (Translation): Well, it is my privilege to state that the fine and accumulated costs will be entirely compensated, if we permit any of these companies to further shamefully prey on the unemployed and the public at large.

I refer to no one in particular in my resolution, however, I wish to discuss the question of coal imports, as a whole, such as practised in this country, so as to hinder any fleecing of the people by certain groups who wish to organize in such a way in order to transgress the law and prey shamefully, next winter and in future years, on the public at large. That is the outline of my theme.

Mr. BARRETTE (Translation): You are aware that an appeal has been lodged. Then, why bring up the subject?

Mr. DESLAURIERS (Translation): I would beg of the hon. member for Berthier-Maskinongé to observe the rules of the house. If he wishes to discuss the subject matter he will be given full opportunity. What I request of him is to act like a gentleman towards me as I intend to act towards him.

Undoubtedly the question which I have brought up is of wide interest, since it affects the federal treasury, which contributes one-third in the cost of the fuel distributed to the unemployed. It has been established that the

public was shamefully fleeced. In this connection, I do not wish to refer to the companies whose case is pending; others are not yet so, but will probably be later on. And we cannot help—

Mr. BARRETTE (Translation): Did you discuss this subject, under the previous regime?

Mr. DESLAURIERS (Translation): I beg of you, Mr. Speaker, to see that the rules of the house are observed. Otherwise, I shall have the painful duty to request the Sergeant at Arms to fetch a very small bench for the hon. member, if he continues to carry on like a school boy.

An hon. MEMBER (Translation): He will be put out.

Mr. BARRETTE (Translation): We shall go out together.

Mr. DESLAURIERS (Translation): Under the circumstances, seeing that the government contributes to the relief of unemployment, I think it is their duty to-day as it was last year—instead of sending us from Caiaphas to Pilate and refusing to hold an investigation when all the consumers of Ottawa, day after day, requested them to do so—to proceed as they thought proper to do in the Beauharnois corporation affair. On the request of a humble member, protected by his parliamentary immunity, the government, one will recall, thought themselves bound to take action publicly and at the country's expense.

It was directed against certain hon. members of the Senate, which was a more serious affair, while in this case it only affects certain importing companies of American, Russian and Scotch coal. I think, sir, that this question should be looked into, because it is a more serious one than that which prompted the inquiry over the charges of the hon. member for Acadia (Mr. Gardiner). This inquiry was directed against only a few wealthy individuals, in a very limited district, who were taking some risks in this enterprise; while these companies speculate on the distress of the people and especially at a time when no one is working, no one has money to purchase coal during an exceptional hard and long season. At the time of the Beauharnois inquiry, people were doing well and those who speculated could afford doing so.

The hesitation of the government since these coalitions have organized, seem to denote that, at times, friendship takes precedence over duty so as to allow these companies, in the grip of a Siberian cold, 40° below zero, not only to maintain the high prices of coal, but to even raise them. And this while sister companies are fined by the courts for having obliged unemployed, receiving the dole, to pay the coal as much as $20 per ton. If one takes into account the humidity absorbed by coal heaped on the wharves, exposed to the weather since the summer, these poor people are made to pay as much as $20 per ton for coal worth $5 per ton, this is most unreasonable. I think the government should intervene as soon as possible, setting aside all party lines and having no other goal than the welfare of the people.

Mr. BARRETTE (Translation): I think that you yourself wish to make political capital out of this.

Mr. DESLAURIERS (Translation): The present price of coal is most ruthless. It is a known fact that these companies can purchase this product at $5 per ton, owing to lower wages, cheaper transport and handling during this crisis. These trusts take advantage of this to squeeze their victims, forcing, at times, heads of family—I saw many in the course of this winter—receiving, at times insufficient relief, to ration off the bread of their children so as to prevent them from freezing to death.

This situation would never have existed had the government performed their duty at the right time. They hesitate, at present, to expose the impudence of this trust which endeavours to carry on by unending court procedure, compensated, during that time, by the enormous profits they realize. At all events, I request, by my resolution, the control over coal trade and all coal imports. Let the importer, in the future, be forced to come before a commission, having the authority to fix the price of fuel. If the government have not the courage to assume the responsibility, which is theirs, in this respect, the people will soon have an opportunity to choose representatives capable of enforcing the laws of this country and to protect it against those whose conscience seem to entirely forget the human side.

Urgency is as much required, in the sense of this resolution, during this world wide depression, as it was during the Great War. The situation is as serious now as it was at that period, when all were working and receiving high wages; to-day, the problem interests people who have been without work for the last year or two, and who are completely destitute. It is urgent that the price of coal

be fixed by the government as they did, in war time, for butter, which sold at 29 cents per pound with a tendency to rise, and which they fixed at 22 cents, the same as they did with the price of cheese.

The public does not expect the appointment of a commission like that of 1919, whose main prerogative was to hold inquiries which furnished profiteers new means of monopolizing and further squeezing the people, but they expect to see a commission authorized to control the purchase of fuel imported and fix the sale price so as to allow dealers a fair profit only.

This question of fuel imports raises the question of the embargo on Russian coal and oils. It is admitted by analysts that the Russian coal is richer in calories than the Scotch, English or American coal. I fail to see why the government maintains an embargo on Russian coal which, according to my information, could be retailed at $6 per ton on the wharves at Montreal. The same applies to the Russian gasoline which could be retailed at 12 or 13 cents per gallon. Why does the government, in these times of depression, maintain this embargo, when Great Britain, France, Italy, Germany and our neighbours, the United States have restored trade relations with the soviet republic; when our liabilities impose on us such urgent economy to triumph over unemployment almost nation-wide; when we know, by the history of all countries, that in order to bring on revolutions, to spread socialist, communist and bolshevist principles, there are no surer means than to permit profiteers to spread distress among the people through their abuse of power or the tolerance of their extortions; when we, with a small population of hardly 10,000,000 souls, know through experience that our attitude can in no way influence the antisocial principles of Russia; when Great Britain and all European nations, as well as the United States by their entirely opposite attitude condemn our conduct?

The mother country, queen of the sister nations of the British Empire, which fixes the world prices of all products, after having considered the trade offers of precisely those against whom we maintain an embargo, applies it to our products so far as the economic conference agreements permit it. Is it not plausible to think that we expose ourselves to be the tools of either the British or American trade, when, through experience we have found out that they are certainly neither the one nor the other more scrupulous than our Canadian coal importing companies; when we know that after Canada placed the products of Germany on the black list, so that our consumers and merchants would not encourage her trade, Great Britain managed to send us boots and shoes manufactured in Germany, after having wiped out the country of origin's trade mark on the boxes and replaced it by one of English origin?

Are we not permitted to think that the United States and Great Britain, being able to obtain a superior quality of coal to theirs, at $3 per ton, and gasoline, also of a superior quality, at 2½ cents per gallon, which can be mixed to their products, without possibility of being detected, and shipped to a market like Canada, where they will be paid for their coal $17 per ton, and for their gasoline 29 cents per gallon, are we not permitted to think that they will not even take the trouble to mix their products before shipping them to us? They may, themselves, utilize all these imported products, seeing that they are of a superior quality, and ship their own, just as we note in Canada certain provinces purchasing electric current at advantageous prices, for their own requirement and sell their electric current to the United States at enhanced prices.

Mr. BARRETTE (Translation): Tell us something about the electric current trust.

Mr. DESLAURIERS (Translation): The purpose of my resolution is to prevent speculation on the people's distress and to prevent other nations from considering us as a nation so greatly deprived of intellect that we cannot assume any other part than the one of being unceasingly duped.

I think, sir, seeing that the Canadian people are struggling with depression and witnessing its spirit, each day, weakening, that energetic measures are necessary to solve the problem of unemployment.

Desperate diseases require desperate remedies. This resolution may seem to a few—

Mr. BARRETTE (Translation): Out of order.

Mr. DESLAURIERS (Translation): —somewhat radical. However, under the extraordinary situation we have to face, I think it is only just that coal and gasoline importers should be, in the future, forced to address themselves to the federal commission for their purchases; that transportation should be under control, as well as assurances and the handling of goods in this connection, and that the price of fuel should be fixed so as to allow dealers a profit of 12 per cent net. I shall add: if we wish to restore

our upset equilibrium, which all admit, there are no other means than to establish a better distribution of profits in trade.

The Canadian people can no longer put up with the gnawing of these seasonal profiteers who, like birds of prey, watch for their victims. No matter what may be their social standing, the organizers of such coalitions practised on such a large scale, under so sad circumstances, during a crisis which has lasted so long and through such a hard winter, cannot expect less than being placed under the control of government authority. And it would be only fair.

Our duty to our country takes precedence over friendship as the hon. member for Labelle (Mr. Bourassa) stated recently; we are the people's servants, the guardians of our fellow-citizens' welfare. Therefore, I am led to believe that it will be an easy task for the members of the house to set aside all party lines and to consider this resolution from a human and legal angle.

It is no more a question of playing the part of Pontius Pilate! No one in this house will deny that these coal companies, brushing aside all human feelings, have organized a shameful coalition, and this, in spite of our laws. It is our duty to immediately organize the full trade, in order to forestall the sad plight which we witnessed last winter.

May I, sir, in closing my remarks translate freely the words of one of the intimate friends of my colleagues opposite, on an occasion almost similar to this one: Gentlemen of the House of Commons, you should be most scrupulous not to offend our fellow-citizens, those —namely the nation—you must consider yourselves the servants; I beg of you not to violate the fundamental and traditional rights of the people in respect to their legislators. The country is passing through a difficult period, times are very hard (I should think so, 40° below zero and coal at $20 per ton, when practically no one has work!) Few are the Canadian homes which have not to struggle with economic difficulties. All wonder whether this present regime will be able to carry on. Even, at the present hour, while we are discussing, the question of our democratic institutions is raised, some contend that they will not survive the upheaval. Public opinion is no doubt more restless than at any time that members can recall, even supposing that you were to legislate as in normal times, can you proclaim to the country and the world at large that the dealings of these coalized companies, which we are especially discussing, to-day, have not transgressed the law and outraged human feelings? Are you going to approve of such dealings? If you do not control them what will the people think of the House of Commons? Moreover, what will they think of our institutions whatever they may be?

I still quote the hon. friend of my colleagues opposite. Should your decision lessen the confidence in parliamentary institution, should it hinder this confidence, the responsibility will fall on each member of the house and the responsibility will be a sad and lasting one.

We have no right, sir, to provoke the people by these kind of coalitions which, I think, are not the only ones operating in this country. It is time—if it is not too late—for the government to act energetically, at the risk of losing some friends, if we do not wish to see those of the underworld replace those who have the care of maintaining order. That is why I have introduced my resolution and I trust that it will receive due consideration by the house.

Mr. ARTHUR DENIS (St. Denis) (Translation): Mr. Speaker, I rise with pleasure to second this resolution. It fell to the lot of an hon. member sitting on the opposition benches to courageously point out to the house and the country that we are, at present, at the mercy of a fuel trust.

Mr. BARRETTE (Translation): Of what?

Mr. DENIS (Translation): Fuel.

Mr. BARRETTE (Translation): What trust?

Mr. DENIS (Translation): I would request the hon. member for Berthier-Maskinongé (Mr. Barrette) to quietly proceed signing the letters he addresses to his constituents whom he is powerless to help.

I was stating that it fell to the lot of an hon. member of the opposition to point out to the country at large that we are at the mercy of a fuel trust, and I shall state it is not the only trust operating in this country. Throughout the entire world trusts are being organized to exploit the consumer. If to-day we are undergoing one of the most severe crises which the country has ever experienced, it is because we are at the mercy of financial trusts and that this government has absolutely done nothing in the last three years to remedy the situation.

Mr. BARRETTE (Translation): What about the coal investigation?

Mr. DENIS (Translation): It is thanks to a representative of the Liberal party in the Senate, if an investigation was held, and not to this government.

Mr. HACKETT: I rise to a point of order, Mr. Speaker. The hon. gentleman is discussing the coal inquiry which it was pointed out by the Speaker when the resolution was presented could not be touched upon because the matter was sub judice.

Mr. LAPOINTE: He has a good excuse, because the hon. member for Berthier-Maskinongé (Mr. Barrette) asked him to talk about the coal inquiry.

Mr. GAGNON: No.

Mr. LAPOINTE: I agree that he should not discuss it.

Mr. HACKETT: I do not think my hon. friend the ex-Minister of Justice (Mr. Lapointe) contends that the debate is in order as it is now being carried on?

Mr. LAPOINTE: No.

Mr. MERCIER (St. Henri): The hon. member for St. Denis (Mr. Denis) has not entered into a discussion of the coal investigation. He simply mentioned it and then carefully kept away from it.

Mr. DENIS (Translation): I was explaining how it happened that an inquiry on coal was held. It was because there are, among the Liberal membership, men who understood their duty, but especially who understood—

Mr. HACKETT: Mr. Speaker, again I rise to a point of order. I take exception to any discussion of the coal inquiry which at present is before the courts. The hon. gentleman is proceeding to explain by whom it was initiated and by whom it was carried to a conclusion.

Mr. LAPOINTE: Mr. Speaker, in justice to the hon. member who is addressing the house, I must say that he has not referred at all to the trials. He simply referred to the inquiry instituted in the Senate, not at all to the case before the courts of Quebec. However, I would join with my hon. friend from Stanstead (Mr. Hackett) in asking the hon. member for St. Denis to try to avoid even a reference to that inquiry.

Mr. DENIS (Translation): I understand, Sir, that I may continue, being quite in order.

Mr. DORION (Translation): Not in order, but in the state of matrimony.

Mr. DENIS (Translation): I realize that hon. members opposite dislike that we should refer to this subject; however, when any step is taken in the interest of the people, it is always due to the Liberal party.

Mr. MERCIER (St. Henri) (Translation): Why not?

Mr. DENIS (Translation): Those who realize our situation, also realize that it is due to a few profiteers who met behind closed doors in order to speculate on the honesty and money—

Mr. DORION (Translation): Money is made to speculate.

Mr. DENIS (Translation): —of the consumer and also on fuel, such as it exists today. It is unquestionable that the Canadian people have been fleeced and will continue to be so, as long as this government remains in power.

Mr. MERCIER (St. Henri) (Translation): The fuel is becoming red hot.

Mr. DENIS (Translation): This government succeeded—

Mr. DORION (Translation): To defeat your party.

Mr. DENIS (Translation):—to hoist itself in office by means of alluring but false promises, and you have to admit that it has been unable to carry them out. It now requests the people to be very patient and trust in better days. I congratulate the Canadian people for their fortitude in putting up with a government so neglectful of the interests of the people. It contented itself with throwing a few millions—

Mr. LAFLECHE (Translation): Into the provincial treasury.

Mr. DENIS (Translation): —to the people, to relieve unemployment.

In my opinion, the primary cause of the crisis from which we are suffering is the spread existing between the cost of production and distribution. It is high time that the government should carry out its pledges and assume the responsibility of checking these public impostors who take advantage of this spread between the cost of production and distribution. Coal is not the only trade in which that happens—

Mr. BARRETTE (Translation): Electric current.

Mr. DENIS (Translation): The hon. member for Berthier-Maskinongé (Mr. Barrette) is perfectly right, when he says electric current also.

Mr. MERCIER (St. Henri) (Translation): Present him with an electric iron.

Mr. DENIS (Translation): It happens in the milk, bread and even in the manufactured jam trade—

Mr. DORION (Translation): In patent medicines.

An hon. MEMBER (Translation): In jam.

Mr. DENIS (Translation): —even in jam, construction material, etc. I could enumerate many other trusts where this happens, and which are to blame for the existence of this crisis which will continue as long as we lack an energetic government, which lives up to its obligations towards the people. My friends opposite smile.

Mr. GAGNON (Translation): We find it sad.

Mr. DORION (Translation): We not only smile, but laugh.

Mr. DENIS (Translation): Let them laugh because when the people present themselves at the polls and when their seat in the house is in jeopardy, they will not find it so funny.

Mr. MERCIER (St. Henri) (Translation): It is a real cyclone which is approaching.

Mr. DENIS (Translation): And, were I to be personal—

Mr. DORION (Translation): Do not cause us any sorrow.

Mr. DENIS (Translation): —I might point to some that are opposite to me, who will be the first to be left at home at the next election.

Mr. LAFLECHE (Translation): For all the enjoyment we derive from listening to your utterances in the house, we might as well be at home.

Mr. DENIS (Translation): I hear the voice of the hon. member for Richmond-Wolfe (Mr. Lafleche), probably, he will be the first to disappear.

Mr. LAFLECHE (Translation): I would rather disappear at once, than further listen to you.

Mr. DENIS (Translation): You were very uneasy, the other day, while listening to your friend the hon. member for Compton (Mr. Gobeil)—

Mr. LAFLECHE (Translation): I was not in the house.

Mr. DENIS (Translation): —when he insulted what we hold very dear in the province of Quebec: the University of Montreal. I trust that you will be as patient as you were when listening to him, for I do not cast any aspersion on our national institutions.

Mr. DORION (Translation): Which ones.

Mr. DENIS (Translation): I request the government to seriously consider this resolution and act immediately so as to find rational means to control these trusts and all profiteers. In acting thus, it will render a great service to the community.

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, before the debate on this resolution closes I should like to make a few observations. I have had great difficulty in following the remarks of the hon. members who have spoken, but without transgressing that very sound rule with regard to the discussion of matters which are sub judice, I think it desirable that the position of the government should be made clear.

I gathered from the remarks of the hon. members that they have unconsciously placed the blame, if one wants to call it that, on the government for such action as was or was not taken with respect to the institution of a coal investigation under the terms of the Combines Investigation Act. I should like to make a few observations with respect to the procedure followed, and I think I shall be able to convince hon. members that the government adopted the course which was contemplated by the statute.

Under the act, any six British subjects resident in Canada may sign an application, accompanied by a statutory declaration, that in their opinion a combine as interpreted by the act exists. This application comes before the registrar appointed under the act and it is incumbent upon him to take such steps as he deems necessary to investigate the position set out in the application. It will be noted that the six persons who sign this application do not need to set out the reasons for their belief; any six persons can start the law in motion. The act has a further provision in section 12, which reads:

> Whenever such application shall be made to the registrar, or whenever the registrar shall have reason to believe that a combine exists or is being formed, or whenever so directed by the minister, the registrar shall cause an inquiry to be made into all such matters—

And so forth. Now, with respect to the coal inquiry, the matter was discussed in another place and certain statements were made which were brought to my attention as Minister of Labour charged with the responsibility of administering the Combines Investigation Act. Those charges were made by men of prominence, and without any delay, without awaiting the signatures of six persons, I directed that the inquiry take place; and it took place just as rapidly as an inquiry could be carried on.

When the investigation was over and the registrar's report, as contemplated by the statute, was handed to me, two courses were open. I might in my discretion do nothing; or I might send the report of the registrar to the attorney general of the province concerned in order that he might review it, because the provinces are charged not only with the responsibility of administering the criminal laws but with the responsibility of taking proceedings under the Combines Investigation Act if, after they have reviewed the registrar's report, they come to the conclusion that there has been an invasion of the provisions of the statute.

Every bit of evidence including the report was transmitted by me to the province of Quebec as the statute contemplates. I have heard it said, in fact I believe the premier of Quebec is reported to have said, that he has done his duty when Ottawa failed to do it. This government, with meticulous care, right from the beginning instituted the inquiry and followed it up with the transmission of the evidence to the proper authorities in the province of Quebec. They in their judgment, after reviewing the situation, did their duty—yes. They carried on certain proceedings to which I will not make reference because the cases are in the courts to-day.

Then the act further provides that if after the transmission of a report to a province it seems to the law officers of that province, who are charged with the responsibility under the British North America Act of enforcing these laws, that there has been no invasion of the act, and three months elapse and nothing is done, then the federal authorities may still step in and cause an information to be laid, based upon the registrar's report. The province of Quebec, doing what they regarded as their plain duty, based upon the registrar's report and the advice of their law officers, laid certain information against some companies, and those proceedings are now before the courts, and I will go no further in speaking concerning the position of those cases because that is, I think, an invasion of the rules of this chamber. But let me make it clear—and I do not think any member of this house wants to misinterpret my actions or the actions of the government—that right from the beginning of this investigation the federal authority took steps with patient regularity, just as rapidly as they could be taken, to see that the terms of the Combines Investigation Act were carried out.

With respect to the resolution itself, I must again acknowledge that I was unable to follow the speakers who have preceded me owing to my lack of knowledge of the French language. However, I hope, if I am here another session, that I shall be able to overcome that difficulty.

Mr. LAPOINTE: You are doing very well.

Mr. GORDON: One part of the address made by the hon. member for St. Mary (Mr. Deslauriers) had reference I believe to the admission by Canada of Russian coal. It is true that the federal government has excluded the importation of that fuel, one of the reasons being that that coal is being mined by forced and convict labour. That is not denied. Another reason is that we have developed a very large business with Great Britain, which is in competition with the anthracite fields of the United States. No one will deny that the price of anthracite coal has been very materially reduced in the last four years; whether it should be reduced further is something that I am not able to answer. But at any rate we do know that there is the keenest kind of competition in that business to-day between British and United States anthracite dealers.

I wonder whether the member for St. Mary, when he advocates the admission of Russian coal and condemns the government for the action they took, would also condemn the government for banning the admission of Russian pulpwood, concerning which the province of Quebec and the operators there have definite views. The reason Russian pulpwood was excluded was this. It is well known, it is admitted, that particularly in the northern sections of Russia the lumbering operations are carried on by convict and forced labour. I wonder if the government are to be commended or condemned because they banned the importation of Russian pulpwood and pulp and products of that character when we knew and the industry knew and the bush operator knew and the workmen knew that any price at which Canadian pulp might be sold would be undercut by the Russian pulpwood operators, who were carrying on their business by forced and convict labour.

The present administration has seen fit to subsidize or enlarge the subsidies with respect to Canadian coal. Some have criticized us for so doing; it may be that the government is open to some criticism, but I think I can safely say that if this administration had not given assistance to the coal industry, particularly of Nova Scotia, there probably would be no coal produced in that province to-day.

Mr. MACDOUGALL: And we thank you for it.

Mr. GORDON: The amount of coal moved under the subventions from the province of Nova Scotia into central Canada now amounts to almost one and a half million tons. Assistance was also given to western Canada in connection with the movement of coal into the industrial areas of Quebec and Ontario. It is true that there is shown a great shrinkage the world over in the consumption of coal, but examination of the figures will show that the shrinkage in Canada is at least no worse than it is in other coal producing countries. There are some who say that this industry should not be subsidized, and arguments may be advanced in favour of that opinion. My own view is that the coal industry in Canada, built up as it was over a long period of years; towns, villages and communities having been established about the operating coal mines, and the industry being national in character, any government is justified in lending reasonable assistance to that industry in order that it may be kept going and that the wage earners engaged therein shall not be disturbed and probably have to seek employment elsewhere. I think that particularly at a time like this, no better form of relief could possibly be granted than the assistance that the government has given to the coal mining industry of this country.

Now, sir, I do not know that it would be helpful to say more at this time; perhaps an opportunity will arise later when the estimates are before the house to go more carefully into the matter of the production of coal, the assistance that has been given, and all the interrelated matters having to do with that most complex industry. At the moment I shall only say that we have our Combines Investigation Act, and as long as that act is on our statute book this house will expect me to do no more and no less than see that its provisions are observed. I shall most certainly see that that is done.

Mr. J. T. HACKETT (Stanstead): Mr. Speaker, the hon. member for St. Mary (Mr. Deslauriers) has brought in a resolution suggesting that it is in the public interest that the federal government should appoint a commission to control the importation of all fuels into Canada. That may be a topic for useful debate, but before my hon. friend reached the point of his resolution he devoted some time to criticism of the government under several headings. The first point, and the one that seemed to arouse the greatest resentment in his bosom, was that the government had not held an even and fair scale in the conduct of its business. He asked, Why should there have been a public inquiry in the Beauharnois matter and a private inquiry in the coal matter? I think that to ask the question is probably to answer it. The records of the house for the year 1931 show that on the 10th of June, 1931, by unanimous consent it was ordered:

> That Messrs. Dorion, Fiset, Gardiner, Gordon, Jacobs, Jones, Lennox, Mackenzie (Vancouver Centre), Stewart (Lethbridge), be a committee to investigate from its inception the Beauharnois project for the development of hydro-electric energy by the use of the waters of the St. Lawrence river so far as the matters referred to are within the jurisdiction of the parliament of Canada, and without restricting the generality of the foregoing words in particular to investigate the matters referred to in the speech made in the House of Commons by Mr. Robert Gardiner, the hon. member for Acadia, on the 19th day of May last, as reported on pages 1731-1740 of Hansard, and to report from time to time their observations and opinions thereon; with power to send for persons, papers and records.

Mr. Speaker, there is the charter, given unanimously by this chamber to nine gentlemen. It is beside my point to enter into the hinterland of the Beauharnois investigation or to follow it to any of its conclusions, sinister or othewise, but I would draw to the attention of my hon. friend this fact, that the reason that investigation was parliamentary, public and all-embracing was that this house in its wisdom decreed that it should be just so.

Mr. HANSON (York): Unanimously.

Mr. HACKETT: Unanimously. If an investigation was conducted in another way, in another place, into another set of circumstances, it is simply because the statute under which that investigation was brought about required that it be carried out in the manner in which it was. Under paragraph 12 of the Combines Investigation Act the minister ordered the registrar to ascertain whether or not in his opinion sufficient grounds existed for a prosecution. Mark that well; under section 12, in the normal functioning of the statute, the minister instructed the registrar to ascertain whether or not in the registrar's opinion, after hearing all the witnesses, there was reason for a prosecution, which is a public investigation.

Does it not seem wise that anybody and everybody should not be subjected to the ignominy of a public investigation on mere suspicion or on what may be ill-founded information? This house debated the Com-

bines Investigation Act long and carefully and decided that it would be most effective if a trusted servant of the government should be afforded the opportunity of investigating privately and deciding whether or not a public investigation, if that is what you wish to call a trial, should take place. And it is specifically enacted that this investigation shall be private. I hope I have made it clear to the hon. member who represents St. Mary (Mr. Deslauriers) why in the one instance the investigation was public and why in its incipient stages the other it was not. When the registrar made his report his findings were forwarded to those officers who, under our constitution, are charged with the administration of the laws of which it was said a breach had been committed and they, however reluctantly, in the fulfilment of their duty put those laws in motion.

I think it well that there should not be confusion on these issues. In these days, when there is some suffering and when there are many people out of work who are easily incited to rebel against their lot, it seems to me unfortunate that the agencies charged with the preservation of law and order should be without reason accused of partiality in the administration of their offices.

My friend from St. Mary raises another broad question which I think will bear some scrutiny. My hon. friends from St. Mary and St. Denis say these are trusts, that these are combinations. I would point out that all trusts and all combinations are not in themselves illicit, and are not in themselves baneful; it is only those which operate in restraint of trade that are harmful. This is so true that in a neighbouring country, one of the great countries of the world, they have abolished their anti-trust legislation; they have torn up their Sherman statute and today have consolidated, amalgamated and combined, if you like, for the purpose of doing away with the cost and loss incidental to competition. I am not arguing for trusts or combines; I am keeping carefully away from the question which is before the courts, but I think it well that my hon. friends from St. Denis and St. Mary should realize that they must go a step further than merely establishing that there is a combination or trust, before they can complain of the activities of such an organization. Would it surprise my hon. friends if I told them that the whole world is cartelized, that in a number of industries the world is divided, A taking this continent and B taking that continent? Are we to conclude that ill necessarily results from organization and discipline? I am not urging that greed may not characterize these activities at times, but when that has been established it is time to complain. The charge is inadequate, however, if it merely states that competition has been eliminated. We in this chamber spent weeks and even months in dealing with our railways, and what was the source of the trouble? It was the cost of competition, the unnecessary expenditure which resulted from the efforts of these contending companies to wrest business from one another, and if I understood the purpose of the legislation which was enacted last session, its chief object was to do away with the cost that is incidental to rivalry.

My hon. friend from St. Mary has gone very far indeed; he has suggested that it is the function of this government to appoint a commission to control the importation of fuels into Canada. He has not told the house exactly how far he wishes to go with his control. Does he wish to have all traffic in fuels become an exclusive prerogative of the crown? Does he wish that we should be forced to go to the commission and buy our coal at such reduced prices as we buy our beverages from the liquor commission? Does he wish that the government should have a monopoly of wood, coal, crude oil and electricity, of course, we must remember that a great many people are using electricity these days for purposes of heating—would he include all these in the activites of a vast commission or combine controlling one of the essentials of life in this northern climate? I think he has much to explain. Before he can hope that this chamber will consider his suggestion seriously he must carry his definition much farther. Before he has gone very far he would find some difficulty—and may I add that the government of my native province is as alert as any other in the vindication of its rights. If the federal government attempted to establish a monopoly in the province of Quebec on a necessity of life such as fuel, it would not be long before the provincial government would make it clear that the field was not unchallenged. I wonder whether or not my hon. friends from St. Mary and St. Denis have had the advantage of a long discussion with the ex-minister of Justice, the hon. member for Quebec East (Mr. Lapointe) as to the constitutionality of their suggestion? I should be greatly interested and none the less edified by his opinions as to the feasibility and the legal possibility of the suggestion embodied in this resolution.

Of course, to be effective a commission would have to control not only the importation but also the price of fuel; it would have to control the wages paid to those handling

it, as well as the distribution. If untoward results were not to ensue, fuel would have to be sold like beverages—for cash; and I fear if it could be sold only for cash quite as many would go cold as have gone thirsty during the last two or three years. I suggest to the hon. member, by way of digression, that he could not have read the newspapers very carefully if he is under the impression that the spread between $5 for run-of-mine and the retail price for refined coal of $14 or $15 for anthracite is net profit.

Mr. MACDOUGALL: In justice to the different provinces producing coal, would the hon. member state to which coal he is referring?

Mr. HACKETT: British coal, to which reference was made in the newspapers, and of which I think my hon. friend from St. Mary was speaking.

I will say in conclusion, Mr. Speaker, that until the resolution is elaborated it is without any possible significance. It can have no meaning, and is not worthy—possibly I should not put it as bluntly as that, but I think until it has been brought into the realm of practicability it should not further detain the deliberations of the house.

Mr. R. K. SMITH (Cumberland): Mr. Speaker, I regret on account of lack of knowledge of the French language it was impossible for me to follow the remarks of the hon. member who introduced the resolution. I gathered from the previous speaker's remarks that the resolution placed on the order paper and the arguments used by the sponsor in support of it are not sufficiently cogent to justify the application of the remedy he had in his mind, or to warrant its being employed as a medium to control the importation of coal into Canada.

Just before resuming his seat the last speaker pointed out what he thought were certain anomalies in the resolution, and in that connection I must wholeheartedly agree with him. My main purpose in rising at this time, however, is to inform the house that the importance of the coal industry to the province of Nova Scotia cannot be overestimated. I woud like to say also that it would be impossible for me to express in words sufficiently high praise of the present government for the various aids it has given since 1930 to the coal industry of Nova Scotia. The industry is a difficult one to operate and manage. There is such a vast spread between costs of production of coal mined in Canada and coal mined in the United States that it is impossible for the coal industry in any part of Canada to survive unless it receives some sort of governmental protection, aids or other assistance by way of bonuses and reduction in freight rates to enable it to compete with the cheaper mined coal coming in from the United States. I have not the figures before me, I shall speak in round numbers and subject to correction.

May I point first of all in a general way to the tremendous shrinkage in the importation of bituminous coal from the United States to Canada during the last four years. As I recall the figures, there has been a shrinkage of approximately 5,000,000 tons in a single year, which means that about 5,000,000 tons less bituminous coal came into Canada from the United States last year than in 1929. As has been suggested, the tonnage imported is practically cut in two. With respect to the coal sold in what is usually termed central Canada, figures which have been made available only recently by the fuel board indicate in a very forceful manner the splendid results to the industry brought about by the government aids granted during the last three years. In order to make the facts known to the house I shall put on record a few figures for the past five or six years showing the amount of Nova Scotia coal marketed in central Canada on account of the aids this government has supplied since it came into power.

In 1928, through the government aids in existence at that time, Nova Scotia marketed in central Canada 114,080 tons; in 1929, which was the last complete year of the old government that figure had increased to 304,533 tons; in 1930, to 372,056 tons; in 1931, to 401,597 tons; in 1932, to 703,691 tons; and in 1933 the amount of Nova Scotia coal marketed in central Canada jumped to 1,482,961 tons. In other words, Mr. Speaker, the figure jumped from 114,000 odd in 1928 to nearly 1,500,000 in 1933, and that increase was due exclusively to the assistance granted by the present government for the marketing and movement of Nova Scotia coal to central Canada.

The coal industry in the province of Nova Scotia has been struggling during the past number of years on account of many causes, including the general shrinkage in markets for fuel in Canada due to world conditions, and on that account it has been doubly hard for the industry to survive and compete. I agree with the assertion that were it not for the assistance granted by the present government a number of the coal mines in the province of Nova Scotia would be closed to-day. My hon. friend from Inverness (Mr. MacDougall) says that we would not have a pit working to-day, and I have no doubt that is correct. There are between twelve and fifteen thousands miners engaged in the coal industry in Nova Scotia, and about one hundred thou-

sand people in the province directly dependent on that industry. Coal royalties in the province run to approximately $500,000 a year; last year it was a little higher. As I said at the outset, it is impossible to overestimate the importance of this industry to the province.

The hon. member for St. Mary (Mr. Deslauriers) states in his resolution that the coal business of Canada should be altered. If by altering he means changing the present regulations reducing the present government aids to the coal industry, then absolutely the province of Nova Scotia is firmly opposed to any such policy of alteration. If altering means increasing the assistance or aids which this government has so generously supplied, naturally I am not opposed to that, but I do not think we are in a position to-day to come clamouring to this government for an increase in the assistance which they have given. The results are showing just exactly what we hoped. I would not go so far as to say that they are all we require, but under the conditions that exist to-day we have no complaint in respect of the policy inaugurated by this government in assisting the coal industry of Nova Scotia.

With respect to the appointment of a commission to control the importation of fuel into Canada, possibly it might be set up with some beneficial results, but I am not sufficiently acquainted with what the hon. gentleman had in mind in that regard to elaborate on the question. I want to say, however, that in Nova Scotia we have had two royal commissions in recent years dealing exclusively with the coal industry in the province, and then we had another Duncan commission dealing generally with maritime claims and the coal industry and all other industries in the province. So we know pretty well the exact position of the coal industry, the costs of production at home and the costs in other countries. Those of us who were here previous to 1930 felt and urged that we should have additional tariff protection for the coal, and that was granted by the present government when it came into power. In 1930 there was a duty of 50 cents a ton on bituminous coal, and this government increased it to 75 cents a ton, the highest duty that ever was imposed on bituminous coal in Canada. There was no duty on anthracite coal when this government came into power, and the government imposed a duty of 40 cents a ton on anthracite. A duty of one dollar a ton was placed on the importation of coke. Bonuses were also given to coking plants which enabled a large quantity of Nova Scotia coal to be processed in a plant near Montreal, the amount so used last year amounting to nearly 150,000 tons. These, together with the reductions made in the railway rate and the other aids granted, make the contribution of this government to the coal industry of Nova Scotia of a magnitude never previously experienced in Nova Scotia with respect to any industry, and I doubt if it has been exceeded by any other government in respect to any other industry in the dominion.

In conclusion, Mr. Speaker, may I say that the people of the province of Nova Scotia appreciate what the present government has done for the coal industry and appreciate it all the more because if it had not been for that assistance some of our mines would have been closed and hundreds of our miners thrown out of employment, and we would have had many thousands more on unemployment relief throughout the province than we have to-day.

At six o'clock the house adjourned without question put, pursuant to standing order.

[Mr. R. K. Smith.]

Thursday, March 8, 1934

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

INCOME TAX

Mr. HANBURY:

What is the amount of income tax in (a) Canada, (b) Australia, (c) New Zealand, (d) England, on (1) $1,000; (2) $2,000; (3) $5,000; (4) $10,000; (5) $20,000; (6) $50,000; (7) $100,000; (8) $150,000?

Mr. MATTHEWS:

(a) Canada:

Income	Single person	Married person
$ 1,000	—	—
2,000	$ 30 00	—
5,000	180 00	$ 120 00
10,000	661 50	546 00
20,000	2,394 00	2,173 50
50,000	10,363 50	10,069 50
100,000	27,846 00	27,447 00
150,000	49,318 50	48,867 00

(b) Not available.

(c) Not available.

(d) England:

Income	Single person	Married person
$ 1,000	$ 37 50	$ 6 25
2,000	165 62	106 25
5,000	765 62	703 12
10,000	1,890 62	1,828 12
20,000	5,250 00	5,187 50
50,000	19,487 50	19,425 00
100,000	47,800 00	47,737 50
150,000	78,175 00	78,112 50

Mr. COOTE:

What was the amount of incomes of individuals assessed for the purposes of the income war tax reported in the year 1931-1932 from each of the following sources: (a) wages and salaries; (b) business and partnership profits; (c) other profit; (d) rents, royalties, interest and dividends; (e) other sources?

Mr. MATTHEWS:

(a) Not available.
(b) Not available.
(c) Not available.
(d) Not available.
(e) Not available.

Statistics are not maintained in such a manner as to give information requested.

WELLAND CANAL

Mr. DUFF:

1. How many tons of freight passed through the Welland canal in the year 1933?
2. What was the cost per ton of freight handled through said canal, including interest on capital expenditure as well as maintenance and operating charges, for the said year?

Mr. MANION:

1. 9,194,130 tons.

2. Capital expenditure, March 31, 1933, $129,088,846.52; no computation of interest on capital investment; operation, fiscal year ended March 31, 1933, $349,626.32; repairs and maintenance, $389,234.18; revenues, $110,357.41.

COAL INVESTIGATION

Mr. RAYMOND:

What was the total cost of the inquiry carried on during the years 1932 and 1933 by Mr. Fred McGregor, registrar, under the Combines Investigation Act, relative to the importation and the prices of English coal?

Mr. GORDON: $40,451.30.

CANADIAN NATIONAL RAILWAYS—TIES

Mr. HOWARD:

1. Did the Canadian National Railways purchase railway ties from Joseph Gobeil and J. L. Audet of La Patrie, Compton county, or from either one of these gentlemen?
2. If so, what price did the Canadian National Railways pay these gentlemen for such ties?
3. What quantity was bought during the season of 1933-34?

Mr. MANION: The information requested is not of record with the Department of Railways and Canals, and the Canadian National Railway management take the ground that it is not in the public interest to publish information of this character.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SOREL YARDS—EMPLOYEES

Mr. DUBOIS:

1. What was the number of employees: (a) permanent (b) supernumerary, in the maritime timber yards of Sorel during each month of the year 1933?
2. What is the total amount of salaries which have been paid: (a) to the permanent employees (b) to the supernumerary employees during each month of the year 1933?

VICTORIA—VANCOUVER ISLAND SERVICE

Mr. NEILL:

1. Has the Department of Trade and Commerce a contract with the Canadian Pacific railway for a service between Victoria and the west coast of Vancouver island for the current year ending March 31, 1934?
2. Does it contain a clause requiring them to carry the mail free of charge as stated in Hansard of March 2, 1934, at page 1241 if so, how does it read?
3. During the current fiscal year ending March 31, 1934, has the Post Office Department a contract with the Canadian Pacific railway to carry mail for the same route at fifteen cents a mile if so, how much has been paid them for such service for each month in the current fiscal year to date?

Mr. CAHAN: Return tabled herewith.

LAPOINTE PIER—VANCOUVER

Mr. NEILL:

1. Was a contract awarded on January 6, 1933, by the Vancouver harbour commissioners for extension to Lapointe pier?
2. Were tenders called for this work; if so, from whom were tenders received and what were the amounts of each tender?

Mr. DURANLEAU: This question should stand as an order for return, and I will lay on the table of the house any information I receive from the harbour commission.

DEATH OF LORD ABERDEEN

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, before the orders of the day are proceeded with it seems to me altogether fitting that some reference should be made in this house to the fact that one who from 1893 to 1898 was governor general of this dominion has passed to the great beyond. Lord Aberdeen succeeded to his great place

while still a young man; he was not the elder son of his family but, owing to the death of the elder son, he became the Earl of Aberdeen. It was an old and historic title; it was associated with Canada because he was the ninth baronet of Nova Scotia. He took his duties in life seriously and when, at the age of 46, he came to this dominion as governor general he had, by application, fitted himself for the discharge of those great duties.

That he and the Countess of Aberdeen endeared themselves to the Canadian people I think is beyond question, and when he returned home on the termination of his services in this dominion he continued to be actively engaged in the public life of his country. Twice he was Lord Lieutenant of Ireland, for a few months in 1886 and for a period of ten years from 1905 to 1915. His great services there were rewarded by his sovereign by his being advanced a step in the peerage, to a marquisate. He always identified himself with the interests of his church and was high commissioner of the Church of Scotland on more than one occasion. He was lord lieutenant of his county, and I suppose there is no member of this house who does not recall seeing in the Illustrated London News photographic reproductions of his reception of his sovereign, as lord lieutenant of the county, at the great Highland sports held from year to year. In later years he lived a quiet life; he was an author of some repute. Perhaps the Scots were better able to appreciate the humour of some of his anecdotes than were some of us who are Canadians, but his writings were very widely read and he was very well known in America by reason of some of the anecdotes he told of his experiences both in Canada and in the United States. He was a democratic peer, with a high sense of public duty and obligation. He discharged the duties of his great position in a manner worthy of the great traditions of a name that had given a prime minister to Great Britain. If I think it fitting, as I do, that we should record our realization of the way in which he discharged his duties here, I believe, although there is no precedent, that it is but right that in this parliament, if it be in session, when those who have served the state faithfully as representative of the Sovereign pass to their reward, we should pay some tribute to them, to their services, their worth and their work as they pass from us.

I trust, Mr. Speaker, that you will convey to the Marchioness of Aberdeen and her children the sympathy of this house in the great loss that she and they have sustained in the passing of a devoted husband, a loving father and one who, by public service, greatly endeared himself to all who believe that service to the state is one of the duties and obligations of high position. I am reminded of words that I am sure pass through the minds of many of us when we contemplate service so great to this empire extending over more than four score years. I think we realize that in such service we have some explanation of the reason why, midst the falling of thrones and institutions, those of our empire continue to exist.

> The glories of our blood and state
> Are shadows, not substantial things,
> There is no armour against fate,
> Death lays his icy hand on kings.

Right Hon. W. L. MACKENZIE KING (Leader of the opposition): I rise to associate myself and hon. members on this side of the house with the felicitous tribute which has been paid by the right hon. the Prime Minister (Mr. Bennett) to the memory of the late Marquis of Aberdeen and Temair, who for five years held the high office of Governor General of this dominion. I should like to express my appreciation not only of the tribute the Prime Minister has paid but of his establishing the precedent of voicing, on behalf of parliament and the country, abiding remembrance of those who, as great public servants, have come to Canada from other parts of the British Empire and made worthy contributions to the history of our land. In this, I think the House of Commons will heartily concur.

To speak of Lord Aberdeen and to recall the fact that it is some forty years or more since he came to Canada as the representative of the crown, causes one to recognize that one is referring to a previous era in British history, the era of Queen Victoria and of Mr. and Mrs. Gladstone, an age which occupies a unique place in history. The lives of Lord and Lady Aberdeen were closely associated with those of the Gladstones, and the traditions of that time come naturally before our minds.

I suppose the most appropriate reference at the moment is to remind the house, as the Prime Minister has done, of what was said in our parliament of the late Lord Aberdeen on his return to England, after having spent his five years here. An address was moved in this house by Sir Wilfrid Laurier, the Prime Minister of the day, in which Sir Wilfrid, on behalf of the House of Commons, expressed the warm appreciation felt by the people of Canada of the public services of both Lord and Lady Aberdeen, of the very acceptable manner in

which in the performance of the different functions pertaining to royalty they had discharged their duties as representatives of the Queen, of the great service they had rendered to art, science and letters during their stay in Canada, and, above all, of their democratic sympathies and close identification with those causes which have to do with human welfare and social well being. Nothing could have reflected better the success of Lord Aberdeen's administration in Canada than his reappointment to the vice-royalty of Ireland in subsequent years.

To many of us in Canada the death of Lord Aberdeen will mean not only the passing of a great public servant, one who has been true to the highest traditions of devoted and disinterested service to the state, and to the church to which he belonged, but the loss of a very dear personal friend. Lord Aberdeen possessed to a marked degree those qualities of generous sympathy, kindly interest and loyalty which win for their possessors many intimate friendships. He never lost touch or association with Canada and its people, but maintained both by the welcome he gave Canadians visiting the old land, and by return visits to Canada of Lady Aberdeen and himself.

Recalling the nature of the life-long services of Lord and Lady Aberdeen to great causes, recalling how closely for nearly sixty years they were united in purpose and in the happiness of their domestic life, and recalling, above all, their devotion and their fidelity to the faith of their fathers, I desire to join in all sincerity in the sympathy extended by the Prime Minister on behalf of parliament to Lady Aberdeen, who has been so greatly bereaved, and to the members of her family.

Like the Prime minister, I would conclude in reference to Lord Aberdeen and his many years of public service with what seems to me to be an appropriate quotation. Recalling his ever sunny nature in the face of vicissitudes and anxieties of which throughout life Lord Aberdeen had his full share, it might truly be said of him, slightly transposing Wordsworth's familiar lines:

> His high endeavours were an inward light
> That made the path before him always bright.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, it is perhaps not unfitting that the tribute from this corner of the house should come from one who has lived in two countries in which Lord Aberdeen so well displayed his undoubted talents. It is within my memory as a young man that Lord Aberdeen held sway as Lord Lieutenant in Ireland. I remember very well indeed the kindliness with which the Irish people always regarded him, and I feel certain that I am but expressing the views of hon. members seated about me when I add my word of tribute to the memory of this man.

POOL TRAINS

MONTREAL-QUEBEC, MONTREAL-TORONTO, AND TORONTO-OTTAWA PASSENGER SERVICES

On the orders of the day:

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, a few days ago the hon. member for Quebec East (Mr. Lapointe) made some inquiries regarding the pooling of trains between Montreal and Quebec. I promised at that time that I would get whatever information I could. I telegraphed an inquiry to Mr. C. P. Fullerton, chairman of the board of trustees. His reply points out that the passenger train pooling arranged for in the Montreal-Toronto, Ottawa-Toronto and Montreal-Quebec services, as extended effective March 11, will produce a total saving of approximately 1,000,000 train miles per annum, divided approximately evenly between the two companies, and, on the basis of a conservative estimate, will represent a saving to each company of approximately $500,000 per annum.

The total number of engineers, firemen, conductors, and trainmen affected by the reduction of passenger train mileage is ninety-six. This is also divided approximately equally between the two companies. A number of employees of other classes that incidentally will be affected cannot be definitely determined until services are actually in effect, but these will likewise be divided approximately equally between the two companies. In practically all cases employees displaced by pooling arrangement will retain employment by exercising seniority rights to other positions, resulting in junior employees being returned to freight service. With the improvement in traffic, Mr. Fullerton states that the management is convinced that after the extension of pooling, as arranged for, is in effect, there will be more men in actual employment than at the time the Canadian National-Canadian Pacific Act, 1933, became effective, and that with continued improvement in traffic, there will not be any increased unemployment but rather the contrary. Arrangements as made for the pooling of passenger train services were adopted only after careful consideration of all the conditions involved, so as to effect economies by avoiding duplication of train services and still maintain, with as little disturbance as possible, adequate service to the public.

In regard to the statement as to displacement of all Canadian National service between

Montreal and Quebec, the Canadian National Railway operates, and will continue to operate, between Montreal and Levis, the Ocean Limited and Maritime Express, two trains in each direction daily, and has arranged to provide another train between Charny and the Palais station at Quebec connecting with the Maritime Express to and from Montreal.

Mr. Fullerton points out in this telegram that he has conferred with the Canadian Pacific, and that this statement which I have just read is a joint statement of the two companies.

May I add that I am advised that 80 per cent of all passenger traffic between Montreal and Quebec has always been carried by the Canadian Pacific railway, as it is an older line and passes through more of the settled communities on the north shore.

May I add as well that in the pooling of passenger trains, the economies and the profits, if any, are split equally between the two railway companies. In this regard it may be well to point out that according to an official statement, which I hold in my hand, the increase in gross revenue, for the first two months of this year, as compared with 1933, for the Canadian National and Canadian Pacific railways together, has been $6,700,000, of which $3,900,000 increase has gone to the Canadian National Railways, and $2,800,000 to the Canadian Pacific Railway. I mention this in reply to suggestions, which are sometimes made, that in agreements between the two companies the Canadian National Railways is getting an unfair deal.

These figures of earnings show that apparently the management of the Canadian National Railways is looking after the interests of the Canadian National quite capably, and I have no doubt that the arrangements made between the Canadian National and Canadian Pacific railway officials are made on a fair and equitable basis to both companies.

In regard to the inquiry of the hon. member for Bow River (Mr. Garland), as to train service between Ottawa and Toronto, I have made inquiries and am informed that while some changes have been made in the time of departure and in the connections, there has been absolutely no change made in the service between the two cities except it is claimed to better it somewhat.

Mr. JACOBS: Did Judge Fullerton say how much would be saved if we all walked?

Mr. MANION: He does not want us to walk.

[Mr. Manion.]

Hon. ERNEST LAPOINTE (Quebec East): Of course, I am precluded by the rules of the house from making any comment upon what the Minister of Railways (Mr. Manion) has just stated on behalf of the management of the Canadian National Railways, but I should like to ask him how no unemployment will result from this pooling when three trains of the Canadian National Railways in each direction are eliminated from the service between Montreal and Quebec and use is being made instead of the Canadian Pacific trains. The employees seem to believe that the engines will not be repaired in the Quebec shops but that everything will go to the Montreal shops of the Canadian Pacific, and that as a result many men will be deprived of work.

Mr. MANION: The answer of the management to that, as I read it in the telegram, is that the increased traffic which is taking place, and which was shown by the figures I gave in my own remarks, will take up the unemployment which would naturally be caused by the pooling arrangement. There is no doubt that unemployment would be caused by that arrangement, but the traffic, particularly freight traffic, is increasing to such an extent that the men who are displaced from the passenger trains will take the place of certain men who were on freight trains. In other words, their claim is that the increased freight traffic will pick up the slack. I am giving that explanation as Mr. Fullerton gives it to me.

Mr. VINCENT DUPUIS (Laprairie-Napierville): I should like to ask the Minister of Railways (Mr. Manion) if he has any information to give in answer to the plea that was made by His Honour the Mayor of Montreal for cooperation in the matter of the train service between Ottawa and Montreal. The two trains are running pretty nearly at the same hour, the Canadian Pacific at 3.30 and the Canadian National at 4.20. If there was cooperation one train might be dispatched at 6.15.

Mr. MANION: I did look into the matter a few days ago when either my hon. friend or someone else asked me to do so, and I was informed that the two railways have no reason to doubt that the best times for the trains to run are at the present hours. After all, they are handling the trains, and I cannot instruct them to change the hours. They claim that the only people who wish to travel on trains at other hours are people who travel on passes.

Mr. DUPUIS: An exchange of services.

FARMERS' STRIKE

On the orders of the day:

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, the other day the hon. member for Vegreville (Mr. Luchkovich) asked a question about a reported strike among farmers delivering grain at a place called Myrnam, in Alberta. The question is to be found at page 1207 of Hansard. I have an answer from the chairman of the board of grain commissioners which I shall read:

A dispute arose at Myrnam between the farmers of that neighbourhood and the local grain buyers, chiefly over the question of the grading of wheat locally. The farmers organized and on the 4th December declared that they would deliver no more wheat to the Myrnam elevators, of which there are five, until such time as their demands were met. Their demands chiefly centred around the question of buying tough grain, and subsequently narrowed down to a demand that the buyers in the local elevators be removed.

The matters in dispute were not matters over which the board had jurisdiction, i.e. the sale and grading of grain locally and the personnel of the buyers in the elevators. The board, however, took various steps in connection with it. Our assistant commissioner immediately called a meeting of the farmers of the place, and the chief inspector from Edmonton was sent there for a week in an endeavour to establish a correct basis for grading. Commissioner Hamilton subsequently went to Myrnam and met the strike committee and attended a very large meeting of the neighbouring farmers.

As a result of these meetings the board, feeling that there was a certain amount of responsibility on the trade for the manner in which their representatives there had permitted the situation to develop, called a meeting of the companies interested and managed to induce them to change their buyers. There has not yet been time to see whether the strike farmers have accepted this and that business is now being conducted as usual.

ALBERTA COAL INDUSTRY

On the orders of the day:

Mr. E. J. GARLAND (Bow River): I desire to ask the Minister of Trade and Commerce (Mr. Stevens) if there will be an investigation into an industry in which there have been serious reductions in wages, very low standards of living, extremely intermittent work, and certain charges now put forward that there is discrimination against union men who are active, namely, the coal industry in the province of Alberta?

Hon. H. H. STEVENS (Minister of Trade and Commerce): If my hon. friend will send me particulars the matter will be given consideration.

BUREAU FOR TRANSLATIONS

The house resumed from Tuesday, March 6, consideration of the motion of Mr. Cahan for the second reading of Bill No. 4, respecting the bureau for translations.

Hon. C. H. CAHAN (Secretary of State): Mr. Speaker, the discussion which has taken place on the second reading of this bill clearly discloses that there are members who voted for the six months' hoist who nevertheless recognize that the existing translation system, or lack of system, requires very considerable reform. The existing system has developed without supervision or control in the most haphazard way, and in many respects it functions inefficiently and fails to achieve satisfactory results.

The hon. member for Gloucester (Mr. Veniot) fully recognizes the difficulties of the problem, which he suggests might be solved by a resolution of this house. The government are advised that an act of parliament will best serve to solve the problem.

The hon. member for Richelieu (Mr. Cardin) was forced to invent the plea that on account of my physical stature I might force the blue book translators of this house, over whom I have no direction or control, to do such translation work as I might deem necessary, and if I understood his suggestion aright—he speaks French with a clear enunciation and I think I was able to follow him—he even suggested that I might go into another department than my own and possibly seize one of its translators by the ear and force him to undertake the translation of important official documents which require immediate attention. My hon. friend is very facetious at times but he must recognize that the government of this country cannot be efficiently administered on those lines. Year after year the members of this house and the Senate have complained of the inefficiency of the present service. The hon. member for Dorchester (Mr. Gagnon) has quoted a few of those complaints, going back to the years 1902, 1906, 1907 and 1910. If members of the house desire to note the complaints which have been made in another place they may look at the Senate debates for May 26, 1926, and April 13, 1927. I might add to that oral complaints which I have received that the translation of the Hansard of that other place for September 1932 has only within the last few weeks been presented to the department of public printing for the printing of the French text.

In 1909, under Sir Wilfrid Laurier, a committee of this house considering the matter

requested that an inquiry be made into the translation service, and Mr. Achille Frechette was sent abroad to Switzerland and Belgium to make an examination of the translation systems which prevailed in those countries. Mr. Frechette was formerly chief of the translation branch of the House of Commons. He made his report in September, 1910, twenty-four years ago, setting forth the results of his official inquiry regarding the translation of debates, sessional papers and laws of parliament of Belgium and Switzerland, where the dual language system prevails. To that report several members of this house have made reference during this discussion, though they do not appear to have read it with sufficient care to have understood its real import.

In Belgium Mr. Frechette then found that a stenographic report of the debates of their parliament is published in extenso under the name of Annales Parlementaires but only in the language in which the respective addresses are made, and in certain cases a synoptic report or resumé of the addresses is prepared for publication. The translator prepares the resumé only for distribution to the daily press, and he is the only translator belonging to the House of Representatives in that country. In Switzerland stenographic reports are made only of debates concerning federal laws and federal decrees which correspond to our orders in council. These speeches are published at the close of each session in the language in which they are made respectively in the bulletin stenographique, which comprises about 600 pages. As to the rest of the translating, at the close of each speech in parliament the translator sums up the conclusions of the speaker in German if the speech is made in French and in French if the speech is made in German. This is the only translator belonging to the house.

In Belgium there are fourteen other translators distributed among several departments for special work in those departments. The system which prevails in these two countries is so different from ours that Mr. Fréchette's report provided very meagre assistance in solving our problem. Our translation work is at least ten times that of either Belgium or Switzerland. As I understand it, the purport of the conclusion of Mr. Fréchette's report is that most of the work devolving upon the translators' branch of the House of Commons should be removed from that branch on the ground that the number employed constituted an abuse which should be remedied—the term used by Mr. Fréchette is "abuse"—but that the translation of the votes and proceedings might well be retained for the House of Commons branch. Mr. Fréchette's report was not acted upon and the centralization of which he then complained in the House of Commons branch still continues. In my humble opinion this requires redress and reform, at least to the extent of which Mr. Fréchette complained. I think the conclusions of the Fréchette report may well be considered by the select special committee to which I trust this bill will be referred. The centralization of the work of translating departmental and other reports, which was then centralized in the appointees of the House of Commons, still continues and the abuses of which Mr. Fréchette complained have never yet been remedied. It was the intention of the government to submit a remedy in this bill now before the house for its second reading.

Reference has been made in this debate to the report of a select committee on the civil service which was appointed by the Senate in 1924. That special committee was set up on the motion of the leader of the Liberal government in the Senate, Senator Dandurand, and consisted of the Honourable Senators Béique, who acted as chairman, Belcourt, Bennett, Black, Bradbury, Calder, Dandurand, Sir George Foster, Hardy, L'Esperance, McCoig, Pardee, Robertson, Ross (Moose Jaw), Ross (Middleton), Turgeon, Watson and White. The appointment of the committee was authorized by a resolution which appears on page 12 of the journals of the Senate for 1924. At page 149 appears the circular letter addressed by Senator Béique on behalf of the committee to the various deputy ministers. Reference to translating is made on page 151, while the final report appears at page 494, et seq of the journals. In the report, as separately printed, the recommendation of the Civil Service Commission appears in appendix 2, page 21. I direct the attention of hon. members who are interested in this matter to this report and I have no doubt that it will receive the careful consideration of the select committee of this house to which I trust this bill will be referred. The report of the committee of the Senate had no results and, in my opinion, matters have gone on from bad to worse.

In connection with another issue which has been raised in this debate, may I say that the only work of translating required by section 133 of the British North America Act, 1867, is, first, for the use of both the English and French languages in the respective records and journals of the Senate and of the House of Commons, and, second, for the printing and publishing of the acts of parliament in

both these languages. If printing in the French language, exclusive of the debates conducted in French, were confined to the provisions of section 133, the total cost would be very modest indeed. The annual cost of printing the documents of the House of Commons in the French language, as prescribed by section 133, is as follows:

Journals of house and appendices	$ 8,800 03
Votes and proceedings	2,066 34
Orders of the day	1,590 54
Bills for second reading	2,595 10
Bills for third reading	1,312 68
Statutes of Canada	2,792 35
Total	$ 19,157 04

These printings in French are under the direction and control of the Speaker of this house and the expense of printing is less than $20,000 per year. But these printings comprise a very small portion of the printings in French for which successive governments have borne the expense. The vast body of printed translations is directly connected with the due administration of government with which the Speaker of the House of Commons is not directly concerned, although the centralized bureau for translation is now under the control and direction of the Speaker of this house and not under the direction and control of the government of the day. I submit that in any case these translations should be under the direct control and supervision of the government which must assume the responsibility, not only for the proper and efficient translation but also for the timely printing, publication and distribution of the same. As I have pointed out, there is sometimes a delay of six months or even a year between the date of the publication of the English edition and the date of the publication of the French.

Mr. MARCIL: I would point out that some reports have never been translated into French.

Mr. CAHAN: I assume that that is so. I would point out that in the course of time we publish both French and English editions of twenty-eight annual departmental reports. These are of considerable volume and hon. members are quite familiar with them. There are also published twenty or more annual supplementary departmental reports, exclusive of the Canada Year Book—the little blue book, so-called—and twelve to fifteen daily, weekly and monthly periodicals. In addition to these annual, monthly and weekly publications there is a large number of reports relating to the general assembly of the League of Nations, the labour congress at Geneva, commissions on railways, monetary policies, currency and the like, the translation of which is the direct responsibility of government and in relation to which the authority of government should be maintained. In addition to the publications I have mentioned, of which there is a separate edition in English and French, we publish also a large number of works in bilingual form. These include four annual departmental reports, twenty-two supplementary annual reports, four periodicals such as the Canada Gazette, the monthly bulletin of business statistics, the monthly summary of trade of Canada and the quarterly trade reports. There are also annually published from ten to twenty or more miscellaneous documents of the government printed in bilingual form. This vast body of material, printed in the French language, has increased from year to year under successive governments, not, I think, because of any constitutional obligation arising out of the meagre requirements of section 133, but because successive governments in Canada have really desired to provide for the people of Canada of French descent, printed in their own maternal language, all important official documents of the federal government of the country for their information and instruction. A considerable portion of this work of translating departmental reports is, as I have stated, performed by the eleven blue book translators, so called, who, though they have no part in the proper work of the House of Commons, are unfortunately, and I may say I think improperly, attached to the Speaker's staff, and who are naturally disposed to think that they are not directly responsible to the government, which they appear to serve on sufferance.

The government is held by the public responsible for the efficient and speedy performance of their work, and it has therefore decided to assume that responsibility and to ask of parliament the statutory authority which is necessary for its effective performance. That authority will be conferred by the terms of the bill now under discussion. The government might have proceeded, by order in council and by appropriate votes in the annual estimates, to create a bureau for translations, leaving the existing staff of blue book translators to seek other employment. But as a matter of justice to men who have been long employed by successive speakers of this House of Commons, the bill provides that such employees shall be preferred in the creation of the new bureau.

I should like to say to the translators who have participated so ardently in the widespread propaganda and lobby against this bill that they must understand from now on that this government assumes responsibility for this bill, and that it will not be moved, on grave questions of public policy, by intimidation or threats emanating from any members of the public service of Canada. I suggest to these gentlemen that they forget the active part which they have taken in propaganda and lobby, that they separate themselves from this unseemly strife which prevails throughout the country, and that they seek hereafter to cooperate cordially with the representatives of the government in a joint endeavour to improve this important branch of the public service, from which the government has no desire to retire them, but every desire to retain their useful services.

It has been clearly explained that the translators who will be transferred to the bureau will not include those discharging secretarial stenographic services in the several departments who are exclusively employed in conducting the English and French correspondence of those departments. The minister who will have charge of the administration of this act, after careful consultation with the heads of the departments and with the civil service commission, has the right to designate the officials and employees who may be transferred to the bureau, but the persons so designated may only be transferred to the bureau by order of the governor in council. Thus every reasonable precaution will be taken that experts required in any department for translating scientific or technical work will not be so transferred if such departmental service would thereby be rendered less efficient.

It has frequently been incorrectly stated during this debate that all the department heads are opposed to the creation of the proposed bureau. I say most postively that that is not a fact. So far as I am aware, ten or more department heads are decidedly not so opposed, while several of the departmental heads who were consulted, such as mines, national revenue, national defence and post office, stated that for strictly technical work they will require the continued services of certain of their translators who are now employed by them and who are trained in the special work in those departments. I have no doubt whatever that the governor in council, after full inquiry, will give favourable consideration to the particular needs of these departments. There should be no difficulty in organizing the work so as to provide fully and satisfactorily for all these special requirements.

The hon. member for Gloucester (Mr. Veniot) and his colleague from Richelieu (Mr. Cardin) pleaded in mournful voices, and with a wealth of unfounded assertion, that if this bill is enacted the translators will no longer enjoy the right of promotion to become deputy ministers of departments or chiefs of branches, and that they will be promoted only to petty positions from time to time available in the proposed bureau for translations. In 1887 and 1888 I sat in the press gallery reporting the proceedings of this parliament, and since that time I have taken more than a merely casual interest in parliamentary and governmental affairs. But I have yet to learn, during the last half century, of a single translator who has been promoted to be a deputy minister or chief of any branch of any department of the government in this country.

I wonder if hon. gentlemen opposite who made use of this argument can now recall any such promotion. A few weeks ago a translator of the Senate was appointed a member of the civil service commission, and such promotion is, I believe, unique in the history of parliamentary institutions in this Dominion of Canada. I say deliberately that no translator employed under the provisions of this bill will be deprived of the possibility of promotion to any advanced position in the civil service for which he is otherwise qualified.

In the translation branch of the public service there are a very considerable number of positions with salaries ranging from $3,300 per year to $4,100. The hon. member for Richelieu also contends that this bill provides no remedy for the evils of the present system, which are obvious even to his blinded eyes. These evils, in my opinion, result from an utter lack of authoritative and efficient administration. The essential cure for negligent or incompetent administration is to provide capable administration; and I am personally confident that there are competent men available, of the French Canadian race, preferably those already experienced in the existing translation services, who, under a competent superintendent responsible to a minister of the crown, will make effective the necessary reform.

The hon. member for Richelieu admits that he has never given much attention to matters of translation and that he is sadly in need of enlightenment. This bill, I trust, will go to a select special committee of the house,

and as my hon. friend is anxious for enlightenment, possibly the hon. senior member for Ottawa (Mr. Chevrier), who has already by his voice and vote declared against the principle of the bill, might within the prescriptions of standing order 65, seek to substitute for himself the hon. member for Richelieu on that committee, in order that the latter might more successfully seek personal intellectual enlightenment.

Mr. CHEVRIER: And a very worthy substitute he would be.

Mr. CAHAN: The only difficulty is that he has disqualified himself in the same manner and to the same extent as has my hon. friend who moved the six months' hoist. The senior member for Ottawa in moving the six months' hoist said in a most dramatic manner:

> At this moment I defy the Secretary of State to affirm in this house that this bill will be the official recognition of the French language. I am not surprised that the hon. gentleman does not answer.

It was not my duty to reply in the course of debate, but I deemed the question frivolous because, as the hon. gentleman well knows, the official recognition of the French language at the present moment appears and appears only in section 133 of the British North America Act of 1867.

Mr. CHEVRIER: Why does the Secretary of State not say that this would be a further recognition of the French language?

Mr. CAHAN: It certainly is and I have said so; I have said so in the house in the most emphatic way in which I am capable of expressing myself in the English language. But as fundamental constitutional acts such as the British North America Act frequently require supplementary statutory provisions for carrying into full effect their constitutional provisions, this bill is brought before the house for the purpose of placing and, if enacted, will place the use of the French language in official documents of the Dominion government on a basis so broad and stable as to exceed the most sanguine anticipations of the fathers of confederation whose maternal language was French.

The hon. member for Nicolet (Mr. Dubois), if I understood him correctly—and I endeavoured to follow him—stated that if I as Secretary of State would declare that this bill increases the guarantees for the use of the French language in the administration of federal affairs, he would regard the bill with more favour. If the hon. member for Nicolet will read section 133 of the British North America Act of 1867 and read and consider both subsections of section 3 of this bill of which he read to the house only the first subsection, he will appreciate the broad and liberal spirit in which the majority of this house propose to carry into effect the provisions of section 133 of the British North America Act of 1867.

Mr. DUPUIS: What about section 6 of the bill?

Mr. CAHAN: I am not discussing section 6; I shall discuss it when the bill comes into committee. My hon. friend was so lacking in intelligence in presenting his case the other day, that I do not think it is necessary to refer to what he then said or what he is now saying.

Some hon. MEMBERS: Order.

Mr. DUPUIS: I rise to a point of order. I ask the Secretary of State to withdraw that expression.

Mr. SPEAKER: To say that a member is devoid of intelligence is not parliamentary.

Mr. CAHAN: I did not say that he is devoid of intelligence. He has some, but I shall withdraw the remark. The house may anticipate with confidence the vote of the hon. member for Nicolet in favour of the second reading of this bill, for otherwise—and I trust this is parliamentary—I feel I would be disposed to doubt the complete candour of the hon. gentleman in making the statement which I have quoted.

The hon. member for North Timiskaming (Mr. Bradette) frankly admitted that if the bill had been introduced by the hon. member for Labelle (Mr. Bourassa), he, the hon. member for North Timiskaming, did not think any member of the house could possibly vote against it.

Mr. BRADETTE: Certainly.

Mr. CAHAN: I regret indeed if the fact that I as a member of the government introduced this bill, should prejudice its sane and sound provisions in the eyes of hon. gentlemen opposite.

Mr. BRADETTE: I rise to a question of privilege. I used those words because of what the hon. member for Labelle said as to the spirit and nature of the French language, and the proposal contained in Bill No. 4.

Mr. SPEAKER: That is not a question of privilege. The hon. member's remarks were correctly quoted in the house.

Mr. BRADETTE: I was being misinterpreted by the Secretary of State.

Mr. CAHAN: The hon. member for Kamouraska (Mr. Bouchard) insisted that a high standard of French translation should be maintained in this country. I can assure the hon. gentleman that it will be maintained throughout the service by the selection of translators with special technical qualifications to translate technical documents and also by the selection of others who are specially qualified by training and experience to supervise the work of less competent translators before, as is now the case, immature, unrevised and otherwise unsatisfactory translations are sent to the printing bureau for printing.

The hon. member for l'Islet (Mr. Fafard) gratuitously interjected in the course of the debate a reflection upon my knowledge of the French language. I sincerely regret my personal deficiencies in this respect, but though the hon. member for l'Islet has mingled freely with Canadians whose maternal language is English, I would not hesitate to challenge him that I shall, without the use of a dictionary, prepare as exact a translation of French prose into English as he can translate a similar document from English into French.

Mr. BOUCHARD: Who will be the judge?

Mr. CAHAN: That is what I am coming to. The difficulty is in finding a judge, because hon. gentlemen have been complaining time and time again, using no unrestricted words of condemnation, of the translation by a translator of this house of the Address of His Excellency the Governor General at the opening of parliament. I have received statements from certain gentlemen who have qualifications as translators and who are bilingual by education and experience, one of them, for instance, being Mr. Pierre Lefort, special representative of La Presse in the gallery of the House of Commons, who writes:

> I have no hesitation in stating that the translation of the speech from the throne delivered at the opening of the present session is in all respects a remarkable one. By its directness of treatment, use of the active form and choice of the right word, it bears the stamp of a translator of the very first order.
>
> The translator has succeeded in avoiding the rut of the passive form, which simply transposes the English form, but is ill-adapted to French language, producing therein dull, lifeless sentences. The right word and the proper construction, present throughout the whole of this translation, restore to the French language its true genius, made of clearness, strength and conciseness.
>
> This translation demolishes the current fable that English is more concise than French and better adapted to our administrative needs. It would indeed do honour to the translators at Geneva, sometimes offered as examples, and of which the League of Nations is so proud.

Another gentleman, a very eminent man, Canon Emile Chartier, vice-rector of the university of Montreal, has also written to express his opinion in the same connection. He writes:

> I would not hesitate to say that nowhere has the translator distorted the sense of the original text, but rather that he has rendered it with marvellous accuracy, and that moreover he has relieved the heaviness of certain English sentences, either by making their subordinate clauses principal or their principal clauses subordinate.
>
> I consider on the whole that the translator may well be satisfied with his work: the translation of so technical a text exposed him to errors of interpretation that, for my part, I fail to perceive anywhere.

Mr. BOUCHARD: He is no translator; he is just a literary man.

Mr. CHEVRIER: Would the minister permit this question? How did it come about that he received those letters?

Mr. CAHAN: You will have to seek the information from them. I am not proposing, and this bill does not propose, any new centralization in the work of the translators. The translation of the blue books and of the large bodies of important material emanating from the administration of government is centralized in this little bureau here. What is really proposed by the bill is not centralization but, as my hon. friend the Solicitor General (Mr. Dupré) said, the coordination, direction and supervision of translation under a superintendent directly responsible to the government and for which the government will be responsible to this house and to the country, as it is not now.

The criticism, as I have already stated, which has been repeated so frequently, that the translation of technical matter will not be made hereafter by specialists in the particular subjects dealt with certainly is not based on facts, nor is that an intelligent criticism in view of the fact that the government will assume the responsibility with respect to such matters. It is the intention of the government that any translators who have specialized in particular subjects shall continue their work in respect of the same subjects, and where possible their services will be utilized to supervise the work of the less competent translators.

The work of translation, as I have already stated in reply to another criticism, does not ordinarily lead to promotion to administrative

positions outside of the translation bureau or the translation service. But, sir, I have consulted with the law officers and with the civil service commission, and I am confident that if this measure is adopted there is nothing in the measure or in its administration which will prevent any translator in the public service, however humble may be his position, from obtaining higher offices in the administrative services of government if he can show to the civil service commission that he is properly and fully qualified therefor.

Mr. BOUCHARD: Would the minister allow a question? In making this statement has the minister considered the chief translators? Are they to remain as chief translators, or are they not?

Mr. CAHAN: I cannot say, because I will not have their appointment, but there will be positions in this service that will require the services of chief translators to the full number of, if not a greater number than, those at present engaged on the House of Commons staff. I agree with what was said by the Solicitor General and others, that special attention should be given to the work of the Hansard translators, whose conditions of employment during the session differ from the conditions under which other civil servants are employed, and that such translators should receive special consideration in effecting the proposed reorganization of this bureau for translations.

In closing, Mr. Speaker, I should like to add that there was no partisan or political motive in the preparation and submission of this bill. The superintendent of the bureau and the heads of its branches, to whom my hon. friend refers as chief translators, preferably should be men whose maternal language is French. In any event, in the organization of this bureau the minister and the civil service commission may be reasonably expected to exercise ordinary intelligence and if they do so those whose maternal language is French certainly will have the preferred position. I am confident that the select committee, to which I shall move that this bill be referred, will give its provisions careful and unprejudiced consideration, ever keeping in view the paramount purpose of perfecting means for the radical improvement of this branch of the public service.

Mr. CHEVRIER: Mr. Speaker, I rise to a question of personal privilege. In the course of his remarks the Secretary of State (Mr. Cahan) said that under standing order 65 I was disqualified from sitting on that committee.

Mr. CAHAN: That was not what I said.

Mr. CHEVRIER: If the hon. gentleman will withdraw that statement I shall not press my point, but I want the house to understand that I shall not sit on any committee if there is any doubt in the minds of hon. members of this house as to my right to do so. In the first place I submit that rule 65 does not declare anything; it simply says:

> It shall always be understood that no member who declares or decides against the principle of a bill, resolution, or matter to be committed, can be nominated of such committee.

When I was nominated to the civil service committee, sir, I had not declared or decided against the principle of this bill, nor had the bill at that moment been referred. As a matter of fact it has not yet been referred to any committee.

Mr. SPEAKER: I think the hon. gentleman is premature in raising the point of order now. The question of his eligibility to sit on the committee, if there is any question, will arise in due course.

Mr. CHEVRIER: But this is a point which affects my personal dignity, and as a member of this house I will not sit on any committee until this point is settled. I will not sit on this committee unless the matter is settled by the house here and now.

Mr. CAHAN: Mr. Speaker, I regret very much that the senior member for Ottawa (Mr. Chevrier) cannot allow me to indulge in a bit of humour in discussing this bill. At the time I made the remark I had more in view, the enlightenment which the hon. member for Richelieu (Mr. Cardin) desired to receive during the course of his speech. I am not raising the question of whether or not the hon. gentleman is qualified to sit on the committee; there is no member of the house whom I would rather see sitting on that committee than the senior member for Ottawa.

Mr. CHEVRIER: Mr. Speaker, I accept those words in the spirit in which they are uttered.

Motion agreed to on division, bill read the second time and referred to the special committee on the Civil Service Act.

BANK OF CANADA

Hon. E. N. RHODES (Minister of Finance) moved the second reading of bill No. 19, to incorporate the Bank of Canada.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, owing to the exceptional importance of the

measure before us and the necessity of avoiding the possibility of any misunderstanding or misrepresentation concerning the attitude of the official opposition on the second reading of this bill, I have thought it advisable to follow the example set by the Minister of Finance (Mr. Rhodes) at the time of introducing the resolution on which the bill is based, and to reduce to writing that which I wish to say at this stage.

We propose to allow the government to proceed with this bill in the manner which was followed a week ago to-day by all parties in the house with respect to the bill on banks and banking, which is the customary procedure of the House of Commons with respect to measures of this kind, and to permit the bill to go immediately to the select standing committee on banking and commerce where its provisions may be studied in detail, in relation to each other, and to those of the bill on banks and banking, which has already been so referred. It is our intention not to delay or obstruct its progress to the committee on banking and commerce by proposing any amendment which would have the effect of dividing the house, and which, without doubt, would be certain to promote lengthy debate at this stage. Our attitude at this stage, second reading, continues to be that which I outlined on the resolution which preceded the introduction of the bill, and which was based on the assurance given by the Minister of Finance and the Prime Minister (Mr. Bennett) that in allowing the resolution to pass without debate we were committed to nothing beyond the principle of the establishment of a properly constituted central bank for the control of credit and currency in the public interest, and for other functions as set forth in the preamble to the bill itself.

May I at this point quote the words in the preamble of the bill, which is designated, An act to incorporate the Bank of Canada:

> Whereas it is desirable to establish a central bank in Canada to regulate credit and currency in the best interests of the economic life of the nation, to control and protect the external value of the national monetary unit and to mitigate by its influence fluctuations in the general level of production, trade, prices and employment, so far as may be possible within the scope of monetary action, and generally to promote the economic and financial welfare of the dominion.

And so on. The statements of the Minister of Finance and of the right hon. Prime Minister to which I have just referred appear in Hansard of February 22. The quotation I should like to make from the remarks of the Minister of Finance are to be found at page 830, and are as follows:

> In conclusion, I desire to assure the house that the government has given careful thought and study to the drafting of this bill. At the same time, in submitting it to the banking and commerce committee, it invites that committee to give it the most careful examination and scrutiny, and if in its judgment any amendments can be made which will be designed to accomplish more fully the purposes of the measure or to strengthen its provisions, they will be not unwelcome.

Following the Minister of Finance, the Prime Minister is reported at page 837 as follows:

> We are merely pronouncing in favour of a central bank, and when the measure has been introduced and the bill given the first reading the house will have an opportunity to consider later the extent to which it approves of the details as they appear in the measure.

Then, again, at page 839:

> As the minister has indicated, to the extent to which this house in committee, that committee representing every section of Canada, concludes that amendments to be made there will enable this bank properly to discharge the functions of a central banking authority, such amendments will be welcome.

I might refer to another statement made by the Minister of Finance, and reported at page 843 of Hansard as follows:

> I believe the statement I made at an earlier stage, when moving the house into committee, will indicate that the government is prepared to deal sympathetically with any suggestion towards strengthening the bill, and which has in mind the main object of the bill, which may emanate in committee.

It is because we base reliance on statements made by the Minister of Finance and the Prime Minister to the effect that in committee every opportunity will be given hon. members on this side of the house to move such amendments as they deem necessary to further the object of the bank as a properly constituted central bank, properly constituted that is from our point of view—a subject which will have to be considered very carefully—that we think it proper to discuss the matter in committee rather than to provoke a debate at the moment which might be protracted and would prevent the bill reaching the committee for some time to come.

When second reading of the bill is passed, we understand it is to be referred at once to the select standing committee on banking and commerce where full discussion may be held on each and all of its provisions; also that when the bill is reintroduced in committee of the whole, and upon third reading, we shall be free to propose any amendments which we may regard as appropriate and

necessary. Were support of the second reading of the bill as it stands to be construed or capable of being construed as committing those who support the second reading to private ownership or private control as against public ownership or public control of a central bank, we would not be prepared to allow the bill to go to committee without prolonged discussion at this stage, or without immediately presenting or supporting one or more amendments.

It is perhaps as well that I should make perfectly clear at once what the matters are to which we believe the committee will have to give very special attention, and mention of which will the better serve to make our position known.

A central bank, as we view it, differs from other banks in that its function is primarily regulatory and controlling—and not commercial in the sense of being intended primarily for private profit or gain. In other words, the functions of a central bank in the world of banking and finance, as we view it, is that of subordinating the special to the general interest or, to express the matter more concretely, that of subordinating the private interest in banking and credit to the public interest. In no sense should the bank be, or be permitted to become, a banker's bank. It is and ought to be a government bank, the government being representative of the interests of the country as a whole. Its main purpose is and should be to protect the public interest in banking and credit.

We believe the provisions of the present bill, as drafted, do not go far enough to secure these ends, and that, as the bill now stands, there is a possibility of private interests exercising the control which, under a measure of the kind, should be secured to the state. How the regulatory powers necessary to effect such control in the public interest, as contrasted with private interests, may best be effected, is something to which the committee will have to give special attention and to ensure which we feel will necessitate change in some of the provisions of the bill as they now stand.

There is one other matter on which we of the official opposition are also agreed. It is that the provisions of the bill should be such as to ensure that the Central Bank of Canada will in no way be in danger of becoming subordinated in the discharge of any of its functions to the banking institutions either of Great Britain or of the United States or of any other country. We believe that the personnel of its board of directors, including the governor, deputy governor and assistant deputy governor should not only be British subjects, but persons ordinarily resident in Canada. With Canada's experience and reputation and position in the banking world what it is, we are confident there can be secured for a Canadian central bank an efficient and highly qualified personnel wholly Canadian.

I hope the government will realize that in taking this attitude we are trying to expedite the consideration of this measure in the one sphere in which it can be most carefully studied in detail, and seeking to avoid the development of difficulties until that is absolutely inevitable. We do this in a desire to further what we feel is an all-important public measure, and in order to afford as great a measure of cooperation as adherence to our views as to what should be the governing principles will permit.

Mr. G. G. COOTE (Macleod): Mr. Speaker, I regret that I did not, like the minister and the leader of the opposition, reduce my remarks to writing. Had I known I was privileged to do so perhaps I could have made a better job of presenting our views to the house. However, I hope hon. members will bear with me while I present those views in the best way I can.

The occasion of the second reading of any bill, we are told, is the time at which the principle of the bill should be passed upon by the house. The proposed bank is to perform a function of government. It is to be given the power to issue legal tender for Canada, a function which since confederation has been performed by the state itself. Since ancient times the issue of money was the prerogative of the crown and zealously guarded as such. It is the most important thing in our whole economic system. The issue of all money is to be turned over to this bank, and it should be noted that this bank is to be given a perpetual charter. To me the principle to be decided in connection with this bill is whether the institution which is to be given this very great power shall be established under private ownership or public ownership. In other words, is it to be another private bank, or is it to be owned by the people of Canada and operated by a body of men representing the various economic activities of the Canadian people and responsible to parliament? In reality is it to be an arm of the government?

The leader of the opposition (Mr. Mackenzie King) I think stated that it was in the public interest that this should be a government bank or words to that effect. I believe that that is a correct statement of the

position, and that is a vital principle which should be decided upon the second reading of the bill. In 1931 I moved in this house a resolution asking for the establishment of a central bank, but I said emphatically that it should be a nationally owned central bank. Those are the words that were used in the resolution. While this bill would establish a central bank it does not provide for national ownership and control. I say again that I consider that a vital principle. Control is perhaps the most vital thing but the way to ensure national control is to provide for national ownership. I think beyond a doubt it is fair to say that one of the outstanding principles to be decided now is whether this bank is to be under private or public ownership, and therefore, Mr. Speaker, before I conclude I intend to move:

That all the words after "that" in the main motion be struck out and the following substituted therefor:

In the opinion of this house the government should give further consideration to the matter of providing that the stock of the proposed central bank should be owned by the government and that the governor and directors of said bank should be appointed by the governor in council.

I want to make it clear, Mr. Speaker, that I am not opposed, and we are not opposed, to the setting up of a central bank. We think this step should have been taken years ago but we believe that it is vital that the bank should be a publicly owned institution. The bank as proposed in this bill represents the view of a minority of the members of the commission. That is something that should not be forgotten. The two members of the commission who recommended the setting up of a central bank as now proposed in this bill were neither of them Canadians. They were both from outside of Canada, and one of them was a director of the Bank of England.

Mr. BENNETT: I might correct the hon. gentleman. He had been a director of the Bank of England, not was.

Mr. COOTE: I am glad to accept the correction of the Prime Minister and I regret if I misstated the case. Two members of the commission were opposed to the setting up of a central bank, and the Hon. Mr. Brownlee, while approving of the idea of a central bank, was quite emphatic that it should be publicly owned and controlled. Perhaps I might quote in part what he said. After referring to the recommendation as made by the other two commissioners, Mr. Brownlee said:

I dissent from this suggestion and recommend that the capital be subscribed by the government of Canada, and that all directors and executive officers be appointed by that government, each appointment to be for a fixed number of years.

The source of capital is in itself of little significance. The control of the bank is of great significance. The election of directors by private shareholders means private control, and notwithstanding the limitation of the rate of dividends, this control might place earning capacity as a first consideration. The only reason advanced in favour of private, as against national, control is the fear of political influence. I am not impressed by this argument. I believe the selection of directors and executive officials by a government would be as wise as that of a body of shareholders, the majority of whom might vote by proxy. It is admitted that the state must ultimately retain sovereignty in matters affecting currency. Emphasis is placed upon the necessity of close accord between the bank and the government in all that pertains to the external value of the country's currency. The primary purposes of a central bank are, in paragraph 206 of the report, defined to be the regulation of the currency in the best interests of the state, and by wise and timely cooperation with similar institutions in other countries to mitigate as far as possible fluctuations in the general level of economic activity.

In times of stress the policies of the state must prevail, whatever may be the constitution of such a bank. In normal times I am of the opinion that the function of the governor, deputy governors and board in carrying on all the functions of such a bank would not suffer as a result of appointment by the government. It is suggested, in the plan in the appendix that the government should exercise partial authority in the selection of the executive officers of the bank. In my judgment it should exercise full authority.

So far as I am personally concerned I am heartily in agreement with the Hon. Mr. Brownlee, and may I again quote from the report of the commission, page 93:

The state must ultimately retain sovereignty in matters affecting currency.

The control of currency and credit can in no sense be defended as a legitimate form of private enterprise. Surely no one is going to dispute that. It seems to me a backward step, and not a step forward. The bank shall be given control of credit. Credit is the lifeblood of industry, and through credit, employment and purchasing power is controlled. Real power is exercised by those who control credit. They would have more power than the government itself. The very life of the nation economically speaking, is to be committed by this bill to the care of a privately owned institution. The control of credit is really the control of the nation, and any government that leaves the control of credit in the hands of a privately owned institution, in the hands of a private bank such as this, will find itself unable to control the political policy of the nation unless it

happens to coincide with the policy of the financiers. I think we should be clear on this point, that the issue confronting us today is whether the government or a privately owned institution is to be in control of the economic activities of the nation and economic conditions in Canada.

Quoting again from the report itself, "The powers exercised by a central bank are very great." I think it is a matter of supreme importance that the bank shall be established in such a way as to ensure that its powers will at all times be exercised in the best interests of the people of Canada. The great power of a central bank is due to the fact that it is given sole control of currency, and it is also given control of the volume of credit outstanding at any time. Through the control of credit it can control price levels and general economic conditions. Many people fail to realize the extent to which economic conditions are affected by the policy of our banks. To those who have never given the subject much thought the following sentence from a speech delivered by the Right Hon. Reginald McKenna, at a recent meeting of the shareholders of the Midland Bank, London, should be of very great interest:

> Nothing in monetary practice is more certain than that contraction of the volume of money, or even failure to secure an adequate increase, tends both directly and indirectly to put a brake upon business of every kind, and to produce the very troubles—unemployment, unremunerative commodity prices, unbalanced budgets and general depression—which have been apparent in almost every country of the world in the past four years. With expanding population and production we need some expansion in the supply of money, or it will inevitably follow that consumption will not keep pace with production. There may in any circumstances be temporary maladjustment between production and consumption of individual commodities; but if the supply of money is adequate the price level of all commodities taken together will be kept approximately stable, and general consumption will be maintained.

I want to draw the attention of members of the house to this last sentence. Mr. McKenna says:

> It follows then, that the policy of the Bank of England is of the utmost concern to everyone, for no one escapes the effects of general depression and not one of us fails to benefit from sustained prosperity.

If the policy of the Bank of England is of the utmost concern to everyone in England, and Mr. McKenna is in a good position to know, it follows just as sure as night follows day that the policy of the Bank of Canada will be of the utmost concern to everyone in Canada. That being so, it surely follows that the Bank of Canada should be owned by the state and controlled by a body of men responsible to the representatives of the people and subject to our criticism instead of responsible to the shareholders of a privately owned bank. Let us not underestimate the power of privately owned banks. I should like to quote the Right Hon. Ramsay MacDonald, now Prime Minister of England, as follows:

> Finance can command the sluices of every stream that runs to turn the wheels of industry, and can put fetters upon the feet of every government that is in existence.

I should like to quote from another authority, a former king of a European country. He was reported last year in a Toronto paper as follows:

> "You think," he said, "that the Bank of England is a national institution. The French think the Bank of France is a national institution. The Germans think the Reichsbank is a national institution. And the truth? The truth is, they are all controlled to some extent by a group of international financiers whose one interest in life is power. The power to rule the world. I tell you they rule the world."

I think this former king knew what he was talking about and, therefore, we should be careful in setting up a Bank of Canada to see that it is owned by the nation itself. I think it is fair to say that the international bankers were very successful in controlling the world up to 1931 by means of the gold standard. But that standard has broken down and they now hope to control the world through a system of central banks. There is a growing conviction in the minds of many Canadians that the setting up of a privately owned central bank would be a step to bring Canada under the sphere of influence of the Bank of England, in other words, under the domination of the Bank of England in so far as monetary policy is concerned. This would be Canada's contribution toward setting up an imperial money power of which the Bank of England, because of its long experience and influential position, would be the dominant influence. I view with alarm such a situation and I think we should be warned by the experience of Great Britain and British governments with the Bank of England. Their policy has not been one of close cooperation with governments to raise the standard of life of the British people. They may cooperate but they seem to do so to carry out the policy laid down by the Bank of England. The

words of the Right Hon. Mr. Churchill, as delivered less than two years ago in the British House of Commons, were referred to by the hon. member for Camrose (Mr. Lucas) in his speech delivered on January 31, 1934. I think it is very clear from his statements that England was put back on the gold standard on the advice of the bankers. He and his government had been warned by such outstanding men as the Right Hon. Mr. McKenna, Mr. John Maynard Keynes and many others that if they did so unemployment would be increased in Great Britain and it would be impossible for that country to balance its budget. In spite of everything they followed the advice of the bankers and returned to gold. I think the last sentence of the speech of Mr. Churchill already referred to is worth repeating. It is:

I say quite seriously that this monetary convulsion has now reached a pitch where I am persuaded that the producers of new wealth will not tolerate indefinitely so hideous an oppression.

So far as we can gather, the results which followed were brought about by the government following the advice of the Bank of England. The policy of the Bank of England has been the policy of the British government. The deputy governor of the Bank of England is reported as having testified before a committee in England last year that the difference between the treasury and the Bank of England was the difference between tweedledee and tweedledum. I think it is also fair to say that the policy of Sir Montagu Norman is the policy of the Bank of England. This control by Sir Montagu Norman is now referred to in England by a great many people as the second Norman conquest. Are we to have a Norman conquest of Canada? Sir Montagu Norman is quoted in Hansard of February 9, 1932, as follows:

Unless drastic measures are taken to save it, the capitalist system throughout the civilized world will be wrecked within a year. I should like this prediction to be filed for future reference.

Since that time he has been reported as saying that he was not at all sure that he could see daylight ahead. However, England seemed to be following his policy. But there are lessons to be learned from the experience of England. We find such a good Tory as Lord Beaverbrook stating in his paper the Daily Express in April, 1932:

The time is long overdue for a reversal—and a dramatic reversal of the monetary policy of Great Britain.

The national need is for a steady expansion of credit facilities. The Bank of England is the obstacle in the way of that need, and because of its vested power it has imposed upon the government for ten years a policy of deflation.

In other words, the Bank of England, which owes no responsibility to the electorate, dictates the government's financial policy.

The system is definitely wrong. It has played an enormous part in bringing about the post-war economic distress, and the men who conducted the bank's affairs then are still in charge.

It is no use tinkering with the question of reform. The present situation should be brought to an end.

The government must be master in its own house; the government must dictate the nation's monetary policy; and the Bank of England must be relegated to its rightful place as the servant of the nation.

Are we taking advantage of the advice contained in that editorial by Lord Beaverbrook. About the same time, in another issue of his paper, after pointing out that he is a banker of practical experience, he says:

We must abandon the policy of the Bank of England, which has been frankly directed to lowering the standard of life in this country.

And again:

It should be our policy to make money both plentiful and cheaper. It may be fairly cheap at the moment. I do not deny that. It is certainly not plentiful. Until we have made it plentiful we will not be able to maintain the standard of wages here. How can it be made plentiful?

Here is his suggestion:

Send the Bank of England about its business! Let it continue to perform the functions of a joint stock bank.

Establish a central bank, owned by the nation, equipped with all the powers necessary to provide abundant credit and hedged about by all the restrictions required to safeguard the permanence and stability of the structure.

That is the solution.

Give us the right to establish reasonable credit and sufficient banking facilities for the people, and you will get the present wage-level, stability of commodity prices and prosperity for our people.

I suggest that the first step towards providing prosperity for the people of Canada would be to make the Bank of Canada a servant of the nation. It should be publicly owned and controlled and be hedged about by all the restrictions suggested by Lord Beaverbrook in his editorial.

I think we could well take to heart the experience of the United States in connection with its federal reserve banks. This experience should help us in deciding for a publicly owned and controlled Bank of Canada. There has recently been introduced in the United States congress a bill to establish a central bank in that country. The control over this bank would be exercised by a board of seven

directors to be appointed by the president with Senate approval. These directors would be representative of agriculture, industry and business generally and would be headed by a governor and deputy governor in the manner of a central bank. The authority would then be free from any control except that of the government. All profits from its operation, after deductions, for reserve, would go to the treasury. In short, it will be equivalent to a state appointed and a state owned central bank directed to control credit and currency on what has been loosely described as a "commodity dollar" basis. I think we should profit from the experience of the United States and establish this central bank under state ownership and control. The federal reserve banks of that country are bankers' banks; the stock is owned by the banks and the system has not been found to be satisfactory. They are now proposing to set up a nationally owned central bank. Personally, I do not want to see Canada in the position of having to go hat in hand to a privately owned central bank, as an individual now has to do, to obtain money to carry on the services which the people should have.

Speaking of the United States naturally brings to mind the national recovery plans that are under way in that country, and there is a growing need and growing demand for some national recovery plans to solve some of the problems that are facing Canada—the farm problem, the unemployment problem, the debt and interest problem, the railway problem. In the solving of any of these problems the matter of money and money policy stands out prominently like a sore thumb. We shall find it impossible to deal effectively with any of these problems without the application of an entirely new money policy.

For the last few years money has been our master. Whether or not we could institute new policies has always been determined by money policy. I submit that money should be made to serve the needs of the people. This bank will control credit, and if governments are to be held responsible for economic conditions, surely they must have something to say about the control of credit. The chief duty of the bank will be to control the amount of credit outstanding at any time. The policy governing the operations of the bank would unquestionably be a matter of concern to the government, for the control of credit is the central problem of economic recovery. The wise use of national credit is the most important factor in establishing prosperity and happiness among the people. We have no reason to believe that the national credit will be used to the fullest extent possible if handed over to a privately-owned central bank, and for this and other good reasons I say that the bank should be owned by the nation. For every nation to-day, currency policy is or should be an administrative or government problem. For that reason the closest form of cooperation between the Finance department and the central bank is absolutely essential.

May I quote a few sentences from the February issue of Lloyds Bank Monthly of London. I read the following:

> At the present time currency policy is virtually an administrative problem rather than a policy determined for the nation by the gold standard, and for that reason the closest form of cooperation between the treasury and the bank is rendered essential. . . . The currency policy that is desirable in the future must be determined by the primary needs of the nation.

That being so, who should determine the policy, the government or a privately-owned bank?

> The first need is to do all that is possible to facilitate and accelerate a recovery from the present trade depression and to employ to the fullest extent our resources of labour and capital. The second is to promote a rise in prices to approximately that level which prevailed before the advent of the depression. . . . The third need is to establish and maintain a monetary system which will prevent the recurrence of the disastrous events of the last four years.

And let us not forget that the disastrous occurrences of the last four years have come while we have been under the direction of privately-owned monetary institutions.

I would also quote the following words from the Right Hon. Mr. McKenna in his recent speech at the annual meeting of the Midland Bank. He said:

> The Bank of England on its own responsibility acts from day to day as it thinks proper. But such freedom in a matter vitally affecting the whole community should obviously be subject to limitations set by higher authority. . . . Even while operating on the gold standard the Bank of England had a considerable field for the exercise of independent judgment, but with the removal of the statutory obligation its powers over the quantity of money were so wide, whether in the direction of increase or decrease, as to be for practical purposes unrestricted. It therefore became urgent that the Bank of England should be given some definite guidance as to its future policy, and obviously the government alone could have the necessary power and authority to instruct the bank.

But if that is necessary in England it is necessary in Canada also; the government of

Canada should have the power to instruct the Bank of Canada, using practically the same words used by Mr. McKenna.

Money policy is essentially a government problem to-day and the government should be free to determine such policy and to see that it is carried out. If governments are to be held responsible for economic conditions—and we know that they are held responsible; the people will turn out any government that allows these unsatisfactory economic conditions to continue—then surely the government or a government institution should have control of credit, which really determines economic conditions.

The Prime Minister, speaking on this question of a central bank, with reference to the ownership of the various central banks in the world, said in effect that there were thirty-six central banks in the world, six of which were owned by the nations in which they functioned, while the others were not. I am glad, Mr. Speaker, that at least six of them are nationally owned, but that does not tell the whole story; and while I cannot place on record a complete statement showing the ownership and control of these banks. I have here a statement which will at least illustrate the situation. There are two central banks in which members of the government are directors. These might be called state banks, and they exist in Russia and in Finland. There are central banks where the state, on paper, has no control—the Bank of England, the Bank of Denmark and the Bank of Germany. But in these three cases there is a long tradition against private banking control. However, these banks may be called privately owned banks. In all other central banks there is state control of a sort, which is exercised through some appointments being made by the government. The government appoints the governor or directing head and generally some directors, even a majority. This statement I have here shows, in the various countries, those appointed by the government and those elected by the shareholders:

Central Banks—Directors

	Appointed by Government	Elected by Shareholders
Australia	All.	None.
Austria	Chairman.	Others.
Belgium	Governor and deputy.	Others.
Bulgaria	Governor and deputy.	Others.
Chile	Part.	Part.
Colombia	Part.	Part.
Czechoslovakia	Governor.	Part.
Denmark	None.	All.
England	None.	All.
Finland	All.	None.
France	Governing body.	General Assembly.
Germany	None.	All.
Japan	All but part nominated by shareholder.	
Netherlands	President and secretary.	Others.
Poland	President and vice-president.	Others.
Portugal	Governor and two vice-governors.	Others.
Russia	A true government bank.	None.
South Africa	5 (including governor and deputy governor).	Others.
Spain	Governor and two assistant governors.	Others.
Sweden	All.	None.
U.S.A.	All members Federal Reserve Board.	None.
Yugoslavia	Governor and two deputy governors.	Others.

A final point: It must be remembered that in most cases where the governor, chairman, president or whatever he may be called is appointed by the government, he is given very considerable power, much more than that of an ordinary chairman.

In passing, I think it is worth while pointing out that in the two countries which have made most headway in the last three years, Sweden and Australia, the central banks are publicly owned. Sweden has achieved a stable price level, while Australia has come very close to it. The improvement in the price level in Australia compares rather remarkably with the situation in Canada. In a recent article Professor Copeland of Melbourne, Australia, shows that their export trade expanded by more than 25 per cent in 1931-32 and 30 per cent in 1932-33, as compared with the three pre-crisis years. He states further that the banking policy of Australia was sound in the crisis mainly because it was less orthodox than that which so-called sound financiers would readily pursue. He says that it is a mistake to concentrate on the external situation and that Australia made her main mistake in not depreciating sooner.

There is one other point which should be mentioned in connection with this bank, and that is that the nation is the ultimate source of credit. The case of the Canadian Pacific bond guarantee of $60,000,000 is a good example. It was the guarantee of the dominion that made it possible for the banks to advance the $60,000,000; the guarantee made the security gilt-edged. The currency of the central bank will be based three-quarters on the credit of the nation and one-quarter on gold. It seems to me that this is another added reason why this bank should be in every respect of the word a national bank.

I believe the chief cause of poverty in the midst of plenty is an obsolete money system. It is the duty of parliament to bring to an end this disgraceful state of affairs in Canada and we cannot do this unless we adopt a new money policy. The setting up of the Bank of Canada as our own bank under national control to enable us to make full use of the nation's credit in creating sufficient purchasing power is the first step in abolishing poverty in the midst of plenty.

The reason advanced in favour of private ownership and control as against national or public control is the fear of political interference. In reply to this argument I would say that the Finance Act has been administered by a government department for nineteen years and I never have heard even a suggestion that there was political interference or that political influence was used to secure any improper advances under the Finance Act.

I recognize the difficulty which the Prime Minister finds in connection with partisan appointments, but surely we can arrange such a method of nomination of men for these positions by the various economic bodies in Canada as would do away with that fear. I have already instanced the Commonwealth Bank of Australia. Surely the government and the people of Australia have not suffered because this bank is publicly owned. I say that the Bank of Canada should be a nationally owned bank. It should be "an arm of the government." It should be operated in the service of the people without any profit motive. The board of directors or governors should be appointed by the governor in council from slates of names prepared by the various bodies representing the major economic activities of the country. Why should we at this time set up another privately owned bank? Let us make it in reality as well as in name the Bank of Canada. In conclusion, I move, as I have already intimated, seconded by the hon. member for Wetaskiwin (Mr. Irvine):

That all the words after "that" in the main motion be struck out and the following substituted therefor:

In the opinion of this house the government should give further consideration to the matter of providing that the stock of the proposed central bank should be owned by the government and that the governor and directors of said bank should be appointed by the governor in council.

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, may I say at once that I am in entire agreement with the leader of the opposition (Mr. Mackenzie King) in respect to the attitude he has taken this afternoon in regard to this measure. While we will agree to disagree with respect to certain features of the bill, we are in agreement, I assert, with respect to the appreciation he has of the character of the debate which ought to take place upon the second reading of a bill.

I am sorry that I am not in a position to say the same to the hon. member for Macleod (Mr. Coote) who has, I respectfully submit, failed to appreciate the distinction between a debate upon the principle of a bill and the question of the details of a bill, however important or vital they may be, because the fact remains that at the moment the principle which we are discussing is: shall we have a central bank?

Mr. MACKENZIE KING: And that is the only principle.

Mr. RHODES: That is the only principle. The point whether this bank should be publicly or privately owned as well as questions respecting the numerous other details incidental to the bill are matters of detail which can be dealt with by way of amendment in the regular course as we proceed in committee on banking and commerce, or in committee of the whole house, or upon motion on the third reading of the bill.

The hon. member has moved an amendment. Let me say at once that I think he has in so doing placed himself in an indefensible position. In the first place his amendment is strictly out of order and contrary to the rules of the house. On that point I do not ask for an immediate ruling; possibly Your Honour may wish to study the matter over the dinner recess or even longer, and I do not press for a ruling at the moment, but I wish for a few minutes to discuss the question of procedure and to refer the house to May, 13th edition, at page 391, from which I shall cite but one sentence which comes under the provisions headed Second Reading of Bills. It reads:

Nor may such an amendment deal with the provisions of the bill upon which it is moved,

nor anticipate amendments thereto which may be moved in committee, nor attach conditions to the second reading of the bill.

That main thesis is followed by two authorities which are cited in a footnote upon the page from which I have just read. The first is to be found in the Hansard of Westminster, third series, for the year 1868, at page 1571, in which the Speaker makes the following ruling:

> Before the hon. member moves his resolution I wish to point out to him that it exceeds the limits prescribed for such motions by the rules of the house. It is a resolution which in reality anticipates discussion on every clause of the bill.

The other citation is with respect to the second reading of a bill and is to be found in the British Hansard, fourth series, 1905, at page 1149. It is with respect to a motion moved by Mr. Arthur Henderson by way of a resolution on the second reading of a bill just as the one my hon. friend proposes to move to-day. The Deputy Speaker, who was at the moment presiding, ruled:

> The motion of the hon. member is out of order, for the reason that it anticipates amendments embodying the same principle which may be submitted in committee on the bill.

Mr. WOODSWORTH: Would the hon. gentleman permit a question? In his judgment is it permissible for any member other than a minister in committee to move an amendment of this kind?

Mr. BENNETT: That is what the committee is for.

Mr. RHODES: I propose in my discussion on the question of procedure to make that very clear.

Mr. WOODSWORTH: This involves an expenditure of money.

Mr. RHODES: It has nothing to do with that at all. The hon. member for Macleod was in another respect unfortunate in moving this motion. He professes, as does every hon. member of this house so far as I know, to believe in the principle of a central bank; indeed, he has advocated it for years. Yet in moving this motion he moves a vote of want of confidence in the government which brings in a measure to introduce a system which my hon. friend has advocated for many years. Furthermore may I point out that he has been unfortunate in another circumstance. If it were in order for him to proceed with his amendment he places himself in this position: It is a well known and established rule of practice not only here but at Westminster as well that you may not proceed twice in the same session with the same matter. If my hon. friend's amendment were to carry it would have the effect of defeating this bill and of preventing the accomplishment of the very measure which my hon. friend has consistently advocated for so long.

I do not propose to weary the house with citations or to use them to any greater extent than is necessary to establish my argument, if not to the satisfaction of my hon. friends opposite and to my right at least so far as is necessary in my judgment to satisfy myself. I will say, however, that if hon. gentlemen will refer to page 299 of May, thirteenth edition, they will find that it has been an established principle at Westminster for over three centuries that the same matter may not be introduced twice in the same session. There are decisions on that point without number, not only in the House of Commons but in the House of Lords as well.

Mr. IRVINE: How does that apply to this particular motion?

Mr. RHODES: Because if this motion were to carry it would mean the defeat of this measure and it would not be possible to introduce this same measure again this session. That is according to well established practice. I have just given the citations; if my hon. friend cares to look them up he will find that what I have said is correct.

Mr. GARLAND (Bow River): Only, may I submit quite respectfully, if the principle of this measure is definitely that of private ownership, but I thought the hon. gentleman was contending that it was not so definite.

Mr. RHODES: I do not know whether or not my hon. friend was present when I mentioned that point a moment ago. The principle of the bill is not the question of private ownership; the principle of the bill is whether we shall have a central bank. I care not how vital the question of ownership may be in the mind of my hon. friend; the fact remains that it has not to do with the principle of the bill. It is a detail, whatever importance my hon. friend may attach to it.

Mr. GARLAND (Bow River): Then may I ask the minister a further question. Why should it be regarded as a defeat of the bill if an amendment is adopted that does not affect the principle of the bill?

Mr. RHODES: Perhaps my best answer would be that this is the practice of parliaments, and that it has been so for a great period of time. The reason is obvious; the motion is that the bill be read a second time. My hon. friend has moved in amendment that it be not read a second time, and if his

amendment were to carry all we would have would be a pious resolution of this house, and we would have lost the second reading of this bill. He would have killed the bill, in plain English.

Mr. GARLAND (Bow River): Not necessarily.

Mr. RHODES: Yes, absolutely, my hon. friend to the contrary notwithstanding.

Mr. IRVINE: Could not the government adopt the principle? That would save it.

Mr. RHODES: Of course my hon. friend may think it is competent for him to make the rules of the house as he proceeds, or that they are a mere matter of argument or of his own opinion, but whether or not my hon. friend attaches any weight to the decisions of this house I may point out to him that the matter has been the subject of decision in this house on different occasions. I will refer my hon. friend to the journals of the House of Commons for the year 1884, where this specific point was dealt with on April 17 of that year. The citation is to be found at page 462 of the journals. Objection was taken under similar circumstances on the ground that the same question had been negatived by the house on a previous occasion during the same session, and Mr. Speaker said:

—the same question had been before the house on the 18th March last, and the house decided that the Liquor Licence Act should not be repealed, and it would not be reconcilable with that previous decision if the house were now to agree to consider the proposed amendment.

Mr. IRVINE: I should like to ask the hon. gentleman a question, and I quote from May:

It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move, as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy or provisions of the bill.

Would my hon. friend kindly indicate to me what sort of amendment could be moved here?

Mr. MACKENZIE KING: What is the principle of my hon. friend's amendment?

Mr. RHODES: May I ask my hon. friend to be good enough to bear with me until I have finished my argument. Then if he wishes to submit any questions, if Mr. Speaker does not object certainly I will offer no objection either. I would refer the house also to the British Hansard for 1890, third series, No. 347, at page 743, where the order was called for the second reading of a bill which had for its purpose the parting with the island of Heligoland under an agreement with Germany. There the Speaker ruled that it was competent for an hon. member to move a resolution superseding the motion for second reading but that it was not competent to add words to the motion that the bill be now read a second time.

Let me just indicate the anomalous position in which my hon. friend from Macleod (Mr. Coote) has placed himself. Being a consistent proponent of the idea of a central bank he now takes the only constitutional course which would prevent our securing a central bank in Canada, and he does so despite the fact that he has three opportunities open to him to move a motion which would have the effect of making law what he now attempts to say by way of resolution. In the banking and commerce committee it is competent for my hon. friend to move that the shares of this bank shall be publicly owned exclusively, he may make that motion again when the bill is in committee of the whole house, and he may make it, on the third occasion, when the bill stands for third reading, by moving that it be reported back to the committee of the whole, with instructions to amend in a certain particular.

I put this question to my hon. friend: Is he prepared to take the position that unless this is a central bank constituted entirely as he, and those who think with him, desire, he will deny a central bank to the people of Canada? Because, unless he is prepared to take that position, he is entirely inconsistent in his motion, in view of the fact that these opportunities are open to him on three subsequent stages to make the motion I have indicated.

Mr. COOTE: May I say to the minister that in the past I have been told I was out of order in moving directly a motion which entailed the expenditure of public money.

Mr. STEWART (Leeds): That is, the introduction of a bill.

Mr. COOTE: Unless, of course, it is introduced by way of resolution.

Mr. GUTHRIE: This is introduced by way of resolution.

Mr. RHODES: Yes, this bill is before the house by way of resolution. My hon. friend may be surprised, but it is a fact nevertheless, that with an absolutely open mind I entered upon a consideration of the respective merits of public ownership versus private sub-

scription of capital and independent management under strict government supervision. I want to say to this House of Commons, with all the solemnity I possess and in all sincerity, that I am just as strong in my convictions in favour of the provisions contained in this bill as is my hon. friend from Macleod with respect to his attitude to the contrary. Let me say to my hon. friend that while he has placed himself in an anomalous position I know he has been actuated by the best of motives. I am prepared at once to accord to him sincerity of purpose, and to believe that he has had in mind only the rendering of the best service to the people of Canada. All I ask is that he shall accord to me that same sincerity of purpose in presenting my views.

I wish briefly, and not as fully as I might, to discuss the question of procedure. Many people unthinkingly are jumping to the conclusion that the question is one of judging between the merits of public ownership and unbridled private ownership. Only this morning I picked up a newspaper published in Ottawa which said the following:

> In the proposal before parliament this session to set up a central bank of Canada, sovereignty over the monetary system is to be transferred almost entirely to private interests.

Mr. Speaker, this is an absolute misstatement; it is not the proposal at all. The proposal is that the capital which shall be supplied for this bank will come from private sources, but it by no means follows that there will be unbridled private control. It would be equally fair if this same newspaper had said that the board of railway commissioners were exercising private control over our railway rates in Canada, because parliament in its wisdom had seen fit to delegate to that body certain authority which parliament theretofore had possessed. It would be equally true to say that we had handed over to the tariff board, a body of private persons, certain powers by parliament. It would be equally true to say that we had handed over to irresponsible private persons the important functions and duties now performed by the civil service commission. It would be as true to say all these things as to say, as this newspaper has said, that we are going to hand over to private interests the sovereignty of our monetary system. Under the measure now under consideration it is proposed to clothe the management of the bank of Canada with certain authority, to provide that they shall have certain independence of action, certain independent scope within which to conduct their operations, but we have placed a very strict series of controls over the management and control of that bank. May I say here and now that, so long as they will not cripple the operations of the bank, the government will be only too happy to give favourable consideration to further suggestions of a salutary and desirable character.

The hon. member for Macleod (Mr. Coote) at the outset of his remarks quoted, if I mistake not—because owing to interruptions in the chamber I could not hear everything he said—quoted from Right Hon. Reginald McKenna. It so happend that only a few days ago the monthly review of the Midland bank for the months of January and February came to hand. In this publication there is a front page article by Right Hon. Reginald McKenna from which I propose to quote two paragraphs. He states:

> In several previous addresses I have spoken on monetary policy, a subject which has necessarily involved discussion of the functions of the Bank of England. I have done so because the matter is of immediate concern to the shareholders of a clearing bank; our daily operations are directly influenced by the policy of the central bank, and the whole trade of the country is deeply affected by it. Happily, the Bank of England has acquired an unrivalled reputation for complete disinterestedness. It is actuated, not by motives of profit, but, within the limits of its independence,—

And I emphasize the word "Independence"—

> —by its view of what is best in the public interest, and its action has therefore to be judged solely by the test of economic need.

Then, on the following page:

> Within definable limits its action is prompted by its own independent judgment; that is to say, the Bank of England on its own responsibility acts from day to day as it thinks proper. But such freedom in a matter vitally affecting the whole community should obviously be subject to limitations set by higher authority, and for the reasons I have given it becomes of great importance to the business community no less than to the joint stock banks to know whether such limitations exist and, if so, what they are.

My hon. friend from Macleod referred to the fact that there are some thirty-six central banks in the world, and of these only six are publicly owned and controlled. My right hon. friend the Prime Minister (Mr. Bennett) referred to this fact on a previous occasion, but I think it is well that we should bear in mind the particular countries and their experiences and then make deductions therefrom.

It is true that the only British country in which there is a central bank publicly owned is Australia. That bank was established by a labour government, not for the purposes of a central bank at all, but as a commercial bank in the ordinary sense in competition

with privately owned banks in Australia, and it has only recently evolved as a central bank. It may be—it is not for me to say—that the Australian people have the genius to operate a publicly owned bank and escape the dangers inherent in that system, many of which I shall point out as I proceed; but certainly they have not operated it as a central bank for a sufficient length of time to enable us to make any deductions of the kind—admitting, if you will, for the sake of discussion, that they have succeeded up to the moment.

The other countries in which central banks are publicly owned are Sweden, Latvia, Finland, Bulgaria and Russia. Of the remaining thirty countries seventeen have central banks which are wholly privately owned, and this list includes such leading countries as England, France, Italy, Belgium, Holland, Germany and Switzerland. In addition, in the United States the federal reserve system is owned by the private member banks. In the Union of South Africa the reserve bank is owned jointly by the banks and by private shareholders. In Chile, Colombia and Peru the central bank represents a combination of public and private ownership. In Czechoslovakia, Greece, Japan, Jugoslavia, Lithuania, Roumania, Poland and Esthonia, the state owns only a limited portion of the shares of the central bank, but even in some of these cases there is provision for the state gradually disposing of its shares. While the tendency during the nineteenth century, particularly as regards actual statutory provisions, was somewhat to stress the control of the state over the central bank, the trend of recent years has set very strongly against granting the state power to interfere with the functions of a central bank. This reaction from the earlier tendency is due to the experience of many countries during the war period, which exhibited in extreme degree the danger of direct state ownership and control. In the League of Nations reconstruction schemes for Austria and Hungary, the independence of the central bank was stressed as a cardinal feature, as it was also in the new statutes devised during the post-war period, for instance, in Esthonia and Greece by the Financial Committee of the League of Nations. In other countries where central banks had existed before the war the tendency has been to divorce the institution from active political control. Thus when the Reichsbank was reorganized in 1924 the necessity for independence was stressed to such a point that the new German Bank Act was made to begin with the following sentence:

> The Reichsbank is a bank independent of government control.

Mr. WOODSWORTH: Does the hon. gentleman say that that is true of the Reichsbank to-day?

Mr. RHODES: I say that the statement I have just made is true.

Mr. WOODSWORTH: Does he say that the statement holds true to-day?

Mr. RHODES: My hon. friend may have his own opinion as to how well they have lived up to their objective in that regard.

In Czechoslovakia a partly independent national bank whose stock is owned only in part by the state has replaced the banking department of the ministry of finance. The National Bank of Bulgaria affords another illustration of a state owned bank which is gradually undergoing evolution in the direction of emancipation from government control. In the new Bank Act for that country for the year 1924 the bank was given a greater degree of independence by the Ministry of Finance than it had previously enjoyed. I mention these facts as evidences of the trend away from complete government operation of central banks. A further amendment was made in 1926 to the Bank Act of Bulgaria introducing for the first time an independently elected element into the administrative council. Finally, in 1928 the Bulgarian government entered into an agreement with the League of Nations undertaking to "safeguard the independence of the Bulgarian national bank from any political influence whatsoever."

The Esthonian Bank Act also provides for gradual disposal to the public of the shares held originally by the state.

I think it would be well, Mr. Speaker, if we took cognizance of the attitude of those who ought to be able to speak with at least some considerable degree of authority on this subject. At the International Financial Conference held at Brussels in 1920 the following resolution was passed:

> Banks, and especially banks of issue, should be freed from political pressure and should be conducted solely on the lines of prudent finance.

The economic experts responsible for the report of the committee on currency and exchange at that time included A. C. Pigou, of England; Charles Gide, of France; Professor M. Pantaleoni, of Italy; G. Bruins, of the Netherlands—I shall not vouch for my pronunciation but the spelling will appear correctly in Hansard—also the eminent Swedish professor, Gustav Cassel, whom, if I mistake not, I have heard quoted very frequently, with a rolling of the tongue as if it were a sweet morsel, by hon. gentlemen opposite and hon. gentlemen to the extreme right. So

his view upon this question is at least not in accord with their own, and as they quote him with approval on so many occasions I do not see how they can disown him upon this.

At Genoa in 1932 the international economic conference resolved as follows:

Banks, and especially banks of issue, should be free from political pressure and should be conducted solely on lines of prudent finance. In countries where there is no central bank of issue one should be established.

At the world monetary and economic conference, which was held last year and was participated in by representatives of some sixty-four countries, the following resolution, which again emphasizes the necessity of independent central banks, was passed:

The conference considers it essential in order to provide an international gold standard with the necessary mechanism for satisfactory working, that independent central banks, with the requisite powers and freedom to carry out an appropriate currency and credit policy, should be created in such developed countries as have not at present an adequate central banking institution.

The hon. member for Macleod and his associates have quoted very frequently certain conclusions of the Macmillan Committee on Finance and Industry which was set up in the United Kingdom. No doubt the house is well aware that among the members of this committee were the Right Honourable Reginald McKenna, Professor J. M. Keynes, and Professor T. E. Gregory. These gentlemen are frequently cited as authorities by hon. gentlemen opposite. Paragraph 33 of the report of this committee, which appears on page 17, reads:

In the sphere of central bank legislation two tendencies may be observed. The first concerns the degree of elaboration of the constitutional code by which the bank is to be governed. There are what may be called the British and continental traditions in these matters: The first leaving the bank much more free to develop its constitution in accordance with changing circumstances, and limiting the degree of state interference to a minimum; the second regulating machinery in detail, emphasizing the subordination of the bank to the organs of the state, and admitting some, in certain cases much, state participation in the affairs of the bank itself. Such detailed regulation is explicable in many cases on the ground that the bank has been set up in an environment generally favourable to state paternalism or under circumstances, such as a disorganization of the currency, which made detailed regulation appear advisable. Nevertheless, rational consideration of the problem will show that a central bank which is able to adjust itself to new necessities and exigencies without requiring an amendment of its constitution or powers on every occasion when innovation is considered desirable possesses the inherent advantages which an elastic structure has over a rigid one.

[Mr. Rhodes.]

While it is true that the recommendations of the Canadian Macmillan commission with respect to the ownership of the capital stock were not unanimous, I think some respect must be paid to the recommendations of the two distinguished British members, not only because of their attainments and great ability but because of their wide experience and knowledge and the study they have given to this matter. I think I should quote paragraph 219 which will be found on page 65 of the report. It reads:

The functions discharged by a central bank being of such vital importance to the economic and financial life of a country, it is perhaps natural to ask whether they could not be adequately performed by some direct organ of government. It has in practice been found that a central bank can give most effective service to the community if it is free from the fear of interference for political ends in operating the delicate mechanism of the national monetary and financial machine. Certain statutory limitations have almost invariably been adopted in order to emphasize the national character of the bank. Thus, apart from the detailed provisions of the legislative act constituting a central bank, we may refer to the customary provision that the profits of the note issue should accrue, either directly or indirectly, to the state; that in most modern instances a limit is set to the profits which may be distributed to the shareholders; and lastly, that the state should have a final voice in the appointment of the governor and deputy governor and sometimes of certain of the directors. Within this legislative framework it has been found that there are preeminent advantages to the state in entrusting the special and highly technical functions of a central bank to a body not subject to the vicissitudes of political life.

If there may be said to be a leading authority upon central banks, I think that is to be found in the book entitled Central Banks by Sir Cecil H. Kisch and Mr. W. A. Elkin. It would well repay hon. members to read this book with some care. I should like to quote one or two short passages therefrom, as follows:

Monetary policy should be independent of political contingencies and the surest way to secure this result is to place the control of the note issue in the hands of a bank.

And again:

Central banks have more and more come to be looked upon as analogous to large public trusts and less and less as departments of state.

I should like to quote from another authority which should be of particular appeal to hon. gentlemen immediately opposite. During the sessions of the Liberal summer school at Port Hope last year, the only monetary expert

from outside of Canada who was heard was Professor T. E. Gregory. I should like to quote from a memorandum which this gentleman wrote in 1930 as an addendum to the report from the select committee on the central reserve bank bill to the parliament of Australia. He said:

In discussing the form of government of a central bank, the first point which necessarily arises is the ownership of the bank. The present reaction against state-owned central banks finds its origin naturally in the difficulties to which central banks were exposed in the war and post-war period—difficulties to which most banks were subject, indeed, but which naturally are most acute when the state is the sole owner, because this means that the power of appointment is vested in political hands. That there exists in certain countries a strong political feeling in favour of state-owned banks cannot be denied, but the strength of that feeling can be modified if the following points are borne in mind and brought prominently before the public: (a) The inherent danger that a state-owned bank will under political pressure be made a mere instrumentality of unsound finance; (b) The case for a government bank is obviously weakest where there is a broad capital market capable of providing all the initial capital required, and where there is a fund of banking and general business experience upon which the bank can draw for its executive personnel. This applies without doubt to all British dominions.

Now I wish to deal, not with all but with some of what I deem to be the more important objections in practice to the government ownership and operation of a central bank. The first danger, in my judgment, is the inescapable danger of political pressure, of partisan interference in the administration of the bank. As the Macmillan report indicates, it is vital to the effective working and operation of a bank of this character that not only should there not be the fact of, but also that there should be removed the very fear of, political interference with the operation of such a delicate and complicated piece of mechanism as a national monetary and financial machine; and that, because its operations are of such tremendous importance as affecting price levels and consequently the incomes of every individual citizen of the country.

To my mind—I say this with all deference—there is a deadly danger which I could illustrate by referring to the conditions that obtained in the year 1929, when the world was having that wild monetary jamboree. Admittedly it would be the function and the duty, and perhaps the main purpose of a central bank, to control a period of inflation such as took place during that time—to apply the brakes, to "mop up" all the loose credit, and to endeavour in every way possible, which would be open to a central bank, to restrict and curb the operations of such a period. There may be some day a government so ideal as to be prepared to consider solely the interests of the state and to forget party interests. But I doubt it. I believe governments will always be composed of human beings, and being human they will exhibit the frailties of human nature.

Mr. WOODSWORTH: Is not that true of bankers also?

Mr. RHODES: I should assume that even my hon. friend would accede to the truth of that statement, that bankers are human—

Mr. WOODSWORTH: I hope so.

Mr. RHODES: —and that being so I do not see the force of his interjection. Now, let us assume that we had a central bank wholly state-owned and operated during that period, with an election four or five months in the offing. The government then would be placed in a most equivocal position. It would have its plain duty to the country to consider on the one hand, and on the other hand it would be looking to its political future; and I leave it to the judgment of the house what the decision would be under those circumstances. To my mind that is a vital objection to the complete operation and control of a central bank by a government which, I care not how well intentioned it may be, is bound to give heed to political considerations of a larger or a smaller character, to a greater or a lesser degree.

Furthermore, a bank controlled by the government would inevitably be subject to sectional pressure and influence, a pull and haul from different parts of the country for certain special consideration and treatment; and again I leave it to the judgment of the house what the result would be if a government were supported by a slender majority and a certain group, not necessarily my hon. friends opposite and to the right, but any party, came to the government and said, "If you don't do thus and so as a matter of monetary policy we will vote you out of office." What would happen then? I do not need to elaborate on the danger of the position I have just indicated; all I have to do is to point it out.

There is another vital objection to complete governmental operation and control of a central bank, and that lies in the danger of lack of continuity of policy. I do not think I need labour that point except to say this: first, that continuity of policy is necessary

because, in the operation of any credit or financial institution, the confidence of the public is absolutely essential to success, and that confidence is more than apt to be lacking if there creeps in political management or political interference with policy, with frequent changes as a result of political influence. In the second place, I think we shall all agree that one of the major functions to be performed by a central bank is to control the total volume of credit and currency with a view to achieving a greater measure of stability in our economic life, and more specifically with a view to smoothing out as far as may be possible, by means of monetary action, both short run and long run fluctuations in the general level of commodity prices, which have been a serious difficulty if not indeed the curse of our modern system of free economic enterprise.

Now, there is one other objection. I know that many hon. gentlemen will not agree with me, but I wish to say with all the seriousness at my command that it is my firm conviction that we cannot successfully operate a government central bank in Canada which is subject to patronage. Why did parliament divest itself as it did and hon. members divest themselves of the right to make political appointments in the public service, many of them of an important and some of a minor character? It was because there was an appreciation of the evils inherent in the system of patronage. I can speak with some little experience upon this point not only because of the number of years that I have been in public life, but also because I think I could fill a bushel basket with the numbers of letters from individuals and their uncles and sisters and cousins and aunts with respect to persons who seek employment in the new central bank of Canada. I already have, I think, applications sufficient to staff at least two dozen very large institutions of that character, to say nothing of letters from people who want to sell real estate, to furnish supplies, to rent buildings and whatnot. I have replied to every one of those individuals, no matter how deserving they might be, and how much I might wish to be of service to some whom I knew, in every case the same, that their applications will be placed before the management of the central bank when it is established and their chances of selection will depend entirely upon the judgment of the management. In my opinion there would be no surer method of killing or at least of crippling the central bank to such an extent as to render it useless as the exercise of patronage in appointments to its personnel, because I know of no other institution where men and women must be selected solely upon the basis of their fitness, qualifications, integrity and ability to give service apart altogether from political considerations whether they be of a personal or party character.

Mr. SPENCER: Does that argument apply to appointments of deputy ministers by the government?

Mr. RHODES: It may in degree, but I would answer my hon. friend by saying this, that I venture to think any government worthy of the name, whether it would be this one or any other, or a government of which my hon. friend was a member, would have to select men solely for their fitness for the post, and I venture to prophesy that no appointments will be made of deputy governors or governors except of individuals who have not applied for them; in other words, the government will seek the man and the man will not get the job because he has sought it.

Mr. SPENCER: I did not mean the deputy governors of the bank; I meant the usual practice of the government in appointing deputies to the different departments of the public service.

Mr. RHODES: My hon. friend means deputy ministers. If he wants to carry the argument to that length, he might very well say that members of the judiciary are partisan because they are appointed by the government. There must be some reasonable measure of discretion in dealing with the question of patronage and it should not be carried to the lengths my hon. friend is suggesting, The government might select for a high post in the judiciary a man who has held marked political leanings, but I have never heard it suggested, and certainly I have known of no instances in practice, that when his appointment has been made, that man has not brought dignity to the bench, certainly in the majority of cases, and has shed his political partisanship.

Mr. WOODSWORTH: Is that also true of bankers?

Mr. SPEAKER: An hon. member should not interrupt a member who is addressing the chair.

Mr. RHODES: Not only do I believe bankers are human, but I really think some bankers are honest. This statement may surprise my hon. friend, but I think in Canada he will find just as high a degree of honesty,

integrity and probity amongst members of the banking profession as amongst any other group of people of whom I have knowledge.

Mr. WOODSWORTH: The minister did not catch my point. My suggestion was that if the bankers were appointed by the government, would they not then exercise independence just as the judges, I believe, exercise independence, and not be subject absolutely to the whims of whatever political party might be in power.

Mr. RHODES: My hon. friend must surely know that when I was talking about patronage in the matter of appointments I had no reference to and I had not the slightest idea of discussing appointments of governors or deputy governors. That was not what I had in mind, and my hon. friend should know that. I was referring to clerks and employees, the purchase of supplies and printing, the securing and location of premises; where credit should be extended, and a thousand and one other things. I know my hon. friend is more intelligent than his question would indicate.

There is another grave objection, and to my mind it is just as serious as some of the others which I have urged. In giving utterance to these objections I am not for a moment suggesting that I have exhausted the field; I am drawing to the attention of the house only some of the major ones. The objection to which I would now ask the house to give consideration is that which would arise out of incompatibility between the government as a borrower in the public markets and the government as a regulator of the volume of credit and currency. Canada this year has a heavy refunding program. What would be the attitude of the Minister of Finance or of a government confronted with a heavy program of refunding?

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. RHODES: Mr. Speaker, when the house rose at six o'clock I was dealing with the possible, and indeed I almost feel like saying the probable, conflict of interest which would be bound to arise between the government, as the regulator of credit through the management of a government owned bank on the one hand, and its interests as a borrower upon the other. There is an incompatibility of interest here which cannot possibly be avoided. With a state owned central bank this fundamental incompatibility is inevitable. If the government is in control of the administration of money market policy it is bound to find itself in the equivocal position of being called upon to choose between two courses, one of which may be immediately convenient to itself and the other conducive to the ultimate interests of the country as a whole.

In its most extreme form this weakness or danger of public ownership is, in my judgment, illustrated by the case of a government which, unable or unwilling to finance itself by other methods, leans too heavily upon the central bank, forcing the latter to make excessive advances and usually bringing about financial disaster both for the bank and for the community. Historical instances of this, particularly in war time, are not uncommon. Kisch and Elkin, in their book on Central Banks, to which I made reference this afternoon, refer to two interesting illustrations in the history of Spain and France, and even at the risk of wearying the house I will quote one rather long paragraph from that work, illustrative of this point. They say:

> In the latter part of the last century the proceedings of the Bank of Spain were prejudiced by obligations imposed on it by the state, and even before the Spanish-American war it had only been by advances from the bank entailing currency expansion that the treasury was able on occasions to meet its engagements. The result was seen in a heavy depreciation of the exchanges and in the price of public stocks. Resolute efforts were required later to restore the position. Developments in France between 1923 and 1925 also offer a striking example of the same phenomena. The advances by the Bank of France to the treasury were limited by law, the maximum having been raised from time to time as appeared desirable. During the war and in the following years increases became frequently necessary as the purchasing power of the franc fell and the exigencies of the government increased, but even the enhanced power to borrow from the bank was insufficient to satisfy the needs of the government. Acting under government compulsion, the bank eventually exceeded the legal limit for advances to the treasury, and published balance sheets devised to hide the fact. When the situation was made public, in April, 1925, the Minister of Finance admitted that the legal limit had been exceeded by 1,200 million francs in December, 1923, and that by the following June the excess had increased to 2,325 million. Early in 1925 the excess rose to over 3,000 million francs. This had inevitably involved further issues of paper currency, with the result that the volume of notes in circulation rose to 43 milliard francs, although the maximum issue had been fixed in 1920 at 41 milliard francs. There can be no question that the power of the government to force increased loans from the Bank of France intensified the depreciation of the franc and contributed to the financial crisis that culminated in 1926. Such extreme abuses of govern-

ment power are of course only possible when a country has ceased to be on a gold basis. As long as convertibility is maintained the worst evils resulting from government intervention in banking and currency control are avoided. Doubtless the governments which have laboriously dragged themselves out of the morass of inflation will not readily slip back; nevertheless, if the control of the operations of the central bank lies directly or indirectly with the government, it becomes fatally easy for the government to finance itself for a time by means of book entries and short loans from the bank, a course which is the first step towards currency depreciation and inconvertibility.

I have spoken from the viewpoint of the dangers inherent in government operation, but there are also objections to unrestricted private operation. I am quite ready to admit the evils of the principle of purely private ownership, but I should like to remind the house that the fundamental principle of all the banking legislation which the government has brought down this year is that, for the first time in this country, the control of currency and credit should be taken out of the hands of purely private institutions, that is to say, of private, profit-seeking corporations. No doubt there are others, but I think there are three main objections to the purely private ownership of a bank. If it is to have the sole right to issue and control legal tender paper currency it is felt that it would be inappropriate to give such right to an institution not owned by the state. Professor Gregory has stated the answer to this objection in a paragraph which is both succinct and forceful. He says:

> The fact that the central bank ought to be State owned because of the right to issue and control the currency is deficient, in so far as it neglects to prove that the state ought not, in its own interest, to delegate these powers. Granted that the power to issue and control currency is a matter of prerogative, it is still open to question as to what is the best instrumentality for this purpose. The state has the power to determine what is the best instrumentality, but it does not in the least follow that a state bank is the best instrumentality. Indeed, all experience goes in the contrary direction. The terms upon which the state ought to delegate its powers ought to be such as to allow the management of credit conditions to be undertaken with the least danger of abuse. What those terms are can best be gathered from economic experience, and is a matter upon which political science can throw no light.

The second objection is based on the undesirability of allowing excessive profits to accrue to private shareholders, or indeed of allowing the profit motive to obtain at all. But it by no means follows that this motive shall prevail in the case of a privately owned institution, and we believe that in the measure now before the house we have guarded against that danger. In the bill it is provided that the maximum dividends payable upon the stock of the bank shall be 6 per cent, which would be an annual charge of $300,000. It will be recalled that in their recommendations the royal commission said the rate might be either 5 per cent or 6 per cent. If in the judgment of the committee or of the house it is deemed desirable to reduce that rate from 6 per cent to 5 per cent the government will be entirely in accord with such action being taken.

The final and perhaps the greatest objection which can be lodged against private management is that the bank might be dominated by bankers and their interests or by other financial interests. In the measure before the house we believe we have absolutely safeguarded against that danger.

In the remarks I have already made I have on the one hand dealt with the objections to public ownership and on the other with the objections to uncontrolled private ownership. It is our belief however that there is a happy medium, a middle course which may be adopted with the greatest degree of advantage. It by no means follows that we should go either to one extreme or to the other. We should free ourselves on the one hand from the evils of political interference and on the other from the danger of control by selfish private interests or management on the basis of the search for private profits. In this connection I would direct the attention of hon. members to the safeguards we have provided in the measure.

First, the shares of the Bank of Canada cannot be held directly or indirectly by a bank or by any bank director, officer or employee. It is believed that adequate power has been provided to enforce these prohibitions. I may add further that if amendments can be suggested which will provide further safeguards in respect of the matters dealt with in these provisions, they will be entertained without any equivocation so far as the government is concerned.

The second factor is that the amount of stock which any individual may hold is limited to fifty shares, representing a total investment of $5,000. This, it is believed, will ensure a wide distribution of stock ownership, and the impossibility of the stock being controlled by any individual or group of individuals.

May I point out further that power is given to the Minister of Finance to exercise discretion in the matter of the distribution of stock, and may I say that if I am the one who has to deal with the allotment—and any

responsible minister occupying this portfolio would, I am sure, deal with it in the same way—it will be my endeavour to see that the stock is distributed among individuals and throughout the country as widely as possible

Mr. BOURASSA: Would the minister permit a question on this point? So far as I understand him, he reserves to himself, as Minister of Finance, the right to control the allocation of shares. Would that go the length of controlling the individual subscriptions, or simply the apportionment of the amount of each subscription?

Mr. RHODES: I do not think it would go to the extent of discriminating as against individuals, but it would have to do with giving favour to the smaller subscriber, and where there was oversubscription the scaling down of subscriptions would be upon a basis which would make for the largest number of subscribers and the widest possible distribution.

Mr. BOURASSA: I should not like to be disagreeable, but in order to help the minister make the point clear may I ask this further question: Suppose some corporation had twenty or possibly fifty different persons each subscribing small amounts, what degree of control could the minister exercise over such collective subscriptions, which would be tantamount to one large subscription?

Mr. RHODES: My hon. friend will be the first to admit that no measure or no precaution can avoid a possible odd abuse. But I would say this, that in the first instance the provisions of the measure guard against ownership of the stock by banks or those who hold stock, as individuals, indirectly for the banks. Furthermore anything in the nature of a concerted move of that kind would be bound to be disclosed. At all events, I am sure there would be a most careful scanning of the subscription lists to avoid, if possible, the arising of just such a contingency.

Mr. MACKENZIE KING: Would the list be made public?

Mr. RHODES: Yes, the list of shareholders, and their holdings, would be made public. The criticism might be urged that those shareholders who lived near the great centres, such as Montreal, Toronto and the eastern section generally, would have an advantage in group action as compared with the smaller shareholders who live in the more distant portions of the country. To guard against any danger in that respect an unique provision in this measure has been provided whereby the individual must give his proxy to the Minister of Finance. It goes beyond the usual method, which obtains in most companies, of giving a proxy to an individual who is, as a rule, designated by the corporation or by the board of directors, inasmuch as it provides that the individual in giving his proxy to the Minister of Finance may indicate to the minister the desire of the shareholder as to what method of treatment shall be accorded his vote, and the Minister of Finance will instruct the scrutineers in accordance with the wishes of the shareholder in question.

Mr. LUCAS: Will there be any supervision in connection with the allotment of these shares so far as the various parts of the country are concerned? My point is this: As the capital is limited, it might easily happen that unless there was some supervision over the allotment of shares, the central part of Canada might secure the total amount. In such circumstances there would be no shareholders in the outlying parts of the country.

Mr. RHODES: The hon. member's question is eminently fair, and I would answer it in this way: While it would be impossible to make with exactness a territorial division, it will be the endeavour of the Minister of Finance to see not only that the shares are distributed as widely as possible, so far as individuals are concerned, but that they may be spread over as great an area of the country as possible, so that even the small subscriber in the most outlying portions will not be overlooked to his prejudice and to the advantage of those living nearer the large centres.

Another safeguard is that the governor, the deputy governor and the assistant deputy governor are, in the first instance, to be appointed by the governor in council, and that thereafter when they are selected by the board of directors their appointment must be approved by the governor in council. Another provision which will have a beneficial effect in the matter of continuity of policy and assurance of the benefit of experience of those who have served as directors, is found in the provision for rotation.

The sixth provision is that all by-laws of the bank must be approved by governor in council, and when so approved such by-laws have the same force and effect as if enacted by an act of parliament.

The seventh provision is that the profits of the bank are definitely limited, and the private profit-seeking motive has been entirely eliminated.

In view of these provisions I believe it may be fairly said that ample safeguards have been erected against the dangers which some people fear may arise or exist in a bank owned by private shareholders. At the same time, we have avoided the evils which both logic and experience have revealed as appertaining to direct government ownership. In other words, we are setting up in Canada, to perform a most vital function, a new kind of organization, a quasi-public institution, which can best be defined as a public trust. It is the considered view of the government, I may add, that only by such form of institution can the Bank of Canada have its most likely chance of assured success.

In introducing this measure a question was submitted to me as to what would happen if there should arise a conflict of view between the management of the bank, on the one hand, and the government of the day on the other. I replied at that time:

> Unquestionably the authority of the governor and the board of directors of the bank would prevail.

In answer to a further question implying that this would mean the negation of responsible government in Canada, I replied:

> Well, Mr. Chairman, the authority and power of parliament is always supreme, and it is none the less supreme because of the fact that parliament, in its wisdom, may delegate a portion of its authority in this instance, as it has done in numerous other instances.

I believe that my answers were absolutely in accordance with the position. I do not think it is necessary for me to reaffirm the fact that parliament is always supreme, and if through an institution of this kind an abuse should arise it would always be open to parliament to correct it. Upon this point I should like to quote from the evidence given by Professor Gregory before the Royal Commission on Banking and Currency:

> The Chairman: Indeed, in emergency situations the government has to take drastic measures which may, I suppose, override the policy of the central bank.
>
> Mr. Gregory: I think that the history of European central banks in the last few years has rather tended to show that in moments of emergency the central bank is almost bound to be subordinated to wider considerations of national safety, national honour and other considerations of that kind.
>
> The Chairman: In its relation to the executive government of the country where it functions it must always occupy a subordinate position?
>
> Mr. Gregory: Subordinate but not necessarily dependent.
>
> The Chairman: I think the words are well chosen. Subordinate in that the ultimate executive responsibility for the country's policy lies with the government of the day, but the view you have stressed is that there ought to be an independent adviser, accessible to the government at all times, with a special fund of knowledge and able to give special authoritative advice.
>
> Mr. Gregory: Yes. I should like to formulate it in this way, that in the end, since the government of the day possesses sovereign legislative power, it must necessarily have the last word in disputes, if they unfortunately arise, between itself and any other agency whatever in the state.
>
> The Chairman: I agree.
>
> Mr. Gregory: But I would also urge that the fruitful functioning of a central bank depends upon the government or governments insisting upon objectives which are within the scope of the instrumentality which it has created. Furthermore nothing to my mind could be more fatal to the prestige of a central bank than constant interference with the details of its administration, or with its day to day operation of any policy whatever. I do not think any man with self respect is going to act as the office boy of the administration if he is going to carry out his work properly.

I have occupied more of the time of the house, Mr. Speaker, than I had expected to take, and I regret very much that I have had to use so many quotations, but I felt that the importance of the measure warranted my doing so. I have only this last word to say, that the bill of necessity had to be introduced as a government measure. But that being so I hope that it will not in any sense develop into what might be termed a party or political measure. I do not for one moment assert that the bill is a perfect bill, but representing as it does long study and careful preparation I believe that it is a well balanced measure. We may improve it as we proceed in committee, but this one thing is sure, that it would be most unfortunate if an agency such as a central bank, which is fraught with such great possibilities of service to the people of this country, should be handicapped in its initial steps by having attached to it anything in the nature of party difference or acrimony. I do not say that by way of lecturing. I say it in all seriousness and without any desire to impute the slightest suggestion that there may be any party viewpoint attached to its launching. If we launch this bill along the lines we have indicated and it develops in the light of experience as we proceed that the measure can be improved, it will be open at all times to parliament to strengthen its provisions. We shall grow and gain with experience. I trust, therefore, that the bill will be considered on its merits and that it may be expedited in its passage to the committee on banking and commerce.

Mr. MACKENZIE KING: On the point of order which has been raised by the minister, I should like to ask a question, if I

may, of the mover of this amendment, and that is what declaration of principle is there in the amendment that he has moved?

Mr. COOTE: I tried to make it clear when I spoke this afternoon that there was a vital principle contained in this bill and that was the principle of private ownership, the turning over to a privately owned bank of the right to issue legal tender in Canada, a right that has been exercised by parliament for the last sixty odd years. It seems to me that nearly everybody in the house is agreed on the subject of a central bank, but there is this vital principle involved: Is the central bank to be the bank of Canada or a private bank? I do not know whether I have made myself clear to the right hon. gentleman.

Mr. MACKENZIE KING: My hon. friend is speaking about the bill; I am speaking of his amendment. What is the declaration of principle in the amendment? That is what I should like to know. So far as the bill is concerned it has been made perfectly clear by the ministry, and the official opposition so regard it, that the only principle in the bill is the principle of the incorporation of a central bank. But my hon. friend has moved an amendment, and as I read it I cannot see any declaration of principle in it at all except the declaration that this bill shall not be given second reading. That is what the amendment says, that the bill shall not be proceeded with, but that the government should further consider. There is another statement which is equivalent to saying that the government shall go on considering whether they shall reintroduce it once it is thrown out. There is no declaration of principle in the amendment that I see. If there is I ask the hon. member to explain what it is.

Mr. COOTE: With the permission of the house, which I must have in order to answer, the amendment asks that the government shall give further consideration to the question of providing that the stock of the proposed central bank shall be owned by the government, and that the governor and directors of the bank shall be appointed by the governor in council. We are asking the government to provide for public ownership before they proceed with the bill. We have to use what might be called roundabout language, because if we specifically asked that the ownership of the stock be vested in the government the amendment would be declared out of order on the ground that the motion called for the expenditure of public funds. So in order to come within what I might call diplomatic language we are requesting the government to give consideration to this question.

Mr. HENRI BOURASSA (Labelle): May I intervene between my right hon. friend (Mr. Mackenzie King) and my hon. friend to my left (Mr. Coote)? I think the point of order raised is well taken. My hon. friend from Macleod (Mr. Coote) puts us in this position: Either to vote against his amendment, which would make us appear as being opposed to the principle of public ownership, or to vote with him and thereby prevent the second reading of the bill, which would mean that we did not want the establishment of a central bank. Surely my hon. friends do not want that. May I suggest that the only proper method in which my hon. friends to my left can express their view as being in favour of the establishment of a central bank is, first, to vote for the second reading of this bill. I assume that most hon. members of the house are in favour of the establishment of a central bank. That is all we would be voting for at the present time. The principle of a bill is usually expressed in the preamble. Now, in the preamble of this bill, there is not one single word, or the slightest intimation, as to the character of the bank, as to whether it is to be a government owned or a privately owned institution, under the control of the government. Let me suggest a remedy to my hon. friends. After we have voted for the second reading and when the bill comes back from the committee, they would have the right and, according to their views, the duty to ask the house to refer the bill back to the committee in order that there shall be introduced the principle which they desire to introduce. They can ask that a clause be inserted to the effect that the bank shall be publicly owned instead of the clause which provides for private ownership. From my little experience of parliamentary procedure I think this is the only manner in which a clause in this bill can be changed.

I had not expected to take part in this debate. I did not bring down my notes; but now that I am on my feet I shall express some of my views on the matter. I have studied this question for several months, not to say years. I have read more than once the report of the commission. I have consulted men of the money trade—all this, in an effort to enlighten myself, but I am afraid that the more I have read and the more I have consulted, the more doubtful I have become. Nevertheless, for the one reason given by the Prime Minister (Mr. Bennett),

although somewhat late in his political career, I am in favour of the establishment of a central bank. Such an organization seems necessary to carry on our international relations in financial and commercial matters. After many years, the Prime Minister found out that which men who are not in business knew already: that Canada is really at the mercy of either London or New York in its dealings, not only with foreign governments, not only with central banks abroad, but in all its commercial dealings with foreigners. The Canadian banker, the Canadian exporter and the Canadian importer are all practically at the mercy of the bankers of London or of Wall street. This is my main reason for voting in favour of the second reading of this bill. We should have the means of helping ourselves, not in antagonism to American or English finance, but on a ground of approach which may put us on a footing of equality with the bankers of the British Empire, the bankers of the great republic to the south and the bankers of the world at large. This one object is worthy of our attention and approval; and for that reason I am entirely in favour of the second reading of this bill, as are, I am sure, my hon. friends to my left. There should be no division of opinion as to the principle of the bill as contained in the preamble. The second reading simply means that the House of Commons of Canada has decided to establish a central bank.

I shall not endeavour to enter into a discussion of the details of the bill. It will come back to us after passing through the scrutiny of the committee; and we then will be either enlightened, or perhaps more puzzled than ever, by the findings of the committee and the further evidence brought before it. I am not prepared to-night to pronounce myself either for or against public ownership. In principle and theory, a central bank, the object of which is to control the issue of currency, credit and foreign exchange for the benefit of Canada at large, for the benefit of the federal treasury and the various provincial exchequers, for the benefit of all Canadians, consuming, exporting and importing, should be a public institution. This should be a department of state, just as the defence of the land is in the hands of government, just as the making and the application of laws remain in the hands of public powers, either federal or provincial, according to their respective jurisdictions. In theory, it seems to me uncontrovertible that this bank should be a public institution. But in this respect, as in many other instances, I find myself again more British in my tendencies and tradition than a large and growing number of my fellow citizens and fellow members of English origin. I do not believe in theories applied rigidly. Actual and concrete circumstances must always be considered, and also, the characteristics or the shortcomings, if you like, of a people, of a civilization or of a form of government. I am afraid that with the spirit now prevailing in this country, to exploit the public treasuries, federal, provincial and municipal, and to expect from governments and their various departments a remedy to all evils, a publicly owned and publicly operated bank would be at the mercy of those people who expect to get all the money they want or desire. The administrative body at the head of the bank would be subject to all influences, political, industrial, financial and commercial, to a larger degree than a body of individuals having a relatively small private interest in an institution remaining under the authority that has constituted it, the parliament and the government. On the whole, in practice, it will give us a greater guarantee of good administration than would be the case with a government operated bank. Under different circumstances, after some years of experience, after the people of Canada have grown wiser, when they have recovered some of the self-confidence they had in the past, and retraced their steps on the wrong path they have followed, ever since the war, of looking to governments for everything, then it might become possible and might be desirable to change the constitution of that bank and make it a full fledged, publicly owned institution. That is all I have to say in that regard at present; and for that reason at least, unless something new develops, which I do not expect, I could not support my friends in their amendment, apart from the objection I mentioned a moment ago.

On the other hand, may I avail myself of my old age, of my long experience in public affairs in Canada, and fair knowledge of public matters in some other countries—France, England and the United States especially, and I might add as well Italy, Switzerland and Belgium—to say that I would not put too much emphasis on the statement made so eloquently by the Minister of Finance (Mr. Rhodes), with regard to the exercise of authority by parliament. We know in practice what the authority of parliament means, once a body of this importance is created; we know that the authority of parliament remains largely theoretical. Look at the railway commission; look at the new body instituted last year—and of this I speak freely, because I voted with the government and with the

Minister of Railways. But every time a casual question is put to the minister, with regard to any matter, large or small, relating to railways, he gets up and says, if I may put words into his mouth: "Although I am the Minister of Railways I have nothing to do with railways; I have no control." I am afraid that to a certain extent the authority of parliament and of the government over the new bank will be something akin to the authority of the Minister of Railways over the Canadian National railway system; though it must be admitted that there are a few points in this bill which invite, nay, force the Minister of Finance to interfere, first, in regard to the constitution, and then in the working of the bank.

I put a couple of questions to the minister with regard to shares, and he answered very courteously, as usual. It seems to me that a good deal of care must be exercised in that regard. My hon. friend said that it would be difficult to scrutinize the personality of each subscriber; nevertheless, more care should be taken than usual. The names of all subscribers should be well known. The circumstances surrounding their subscription could be easily ascertained by representatives of the government in the various centres in which the subscription lists will be opened. Not only should the list of subscribers be published after their subscription had been accepted, but, like banns of marriage, they should be published beforehand, so that if anyone feels that eight or ten or twenty subscribers on the list, in the city of Montreal for example, or in Toronto, or in Winnipeg, are likely to be disguised representatives of some private bank or some other concern, then the minister will have ample time to make inquiry before the certificates are delivered to the subscribers in question.

With regard to the powers of the bank and its reserve, I have a single observation to make. I congratulate the minister on having taken one precaution which he indicated on the first reading—he may have repeated it this afternoon; I was not here. In the Macmillan report, there was a recommendation which struck me at once as extremely dangerous, as capable of defeating the main object which I mentioned a moment ago, namely, that through the central bank we should make ourselves, as far as a small and indebted nation can be, masters of our finances. I am referring to the recommendation that, among the powers of the bank, the directors might at their will dispose of any portion or all of the gold reserve, and exchange it for foreign securities. That power would be extremely dangerous. I understand that the bill remedies it; but I hope it will be made quite clear that if the directors should in any way, directly or indirectly, try to evade their responsibility in this regard, they will be liable to the severest penalties that can be imposed. From my point of view it would be the gravest breach of faith with the people of Canada that that body could commit. What would it mean? What would it mean in times of stress such as we have passed through, since the war as well as during the war itself?—I hope no such event will occur again—but what would be the significance of the suggestion contained in the Macmillan report? The directors of our bank could at a particular moment transfer all our gold to London, New York or Paris for whatever purpose they chose, taking in exchange foreign values, good, bad or mediocre.

Now, we know what role the great central banks play, very beneficent at times, a great safeguard for the governments of the countries in which they function, under some degree of state control. But we know also that foreign governments make use of these central banks for political purposes. We know the glorious but tremendous role which the Bank of England and the Bank of France have played in international affairs, both in peace and in war. If the safeguard which the minister has introduced is not made absolutely imperative, if it is not guaranteed in such a way that it cannot be evaded, nothing could prevent at any particular moment the governor and the board of directors—I forget the proper designation of the Bank of England—

Mr. BENNETT: It is the court of the bank.

Mr. BOURASSA: Yes, the court of the Bank of England or the regents of the Bank of France—nothing, I say, could prevent them from making a private arrangement with our central bank to draw our gold to Paris or London, giving us paper in exchange, paper which might be valuable or valueless but which undoubtedly, in the mind of the French or of the English government, would have for its object to tie us financially and politically to any policy they might pursue. That was done before the war: it was done during the war, and it is being done now, in London as well as in Paris, in Berlin as well as in Rome. Well, situated as we are, being, as the Prime Minister has so well said, an immense country with a small population and with a tremendous debt, we should make the directors or governors of this bank understand that their role is not to play the game of international finance in connection with interna-

tional politics, but to play the role we assign to them: to be the guardians of Canada's credit, federal and provincial; to see that no province by its extravagances endangers not only its own credit but that of the rest of Canada. One province in bankruptcy means the shaking of the credit of all the other provinces and of the dominion as well. The bankruptcy of such a large city as Montreal or Winnipeg would not only endanger the credit of Quebec or Manitoba, but react upon the credit of Canada. The main duty we expect from the governor and directors of the bank is to see with a clear eye and to make use of a firm hand to give justice to all. Any undue favour to one or two or three municipalities or provinces at the expense of the credit of Canada, would be an injustice to all, including that province or that municipality receiving such undue favour; because it is not doing a favour to a debtor on the verge of bankruptcy to entertain him in that state; better wipe off or reduce his debt; better make the operation, cruel as it may be at the moment, than to let the canker worm penetrate through the whole body of the nation, and thereby endanger our national credit.

I have spoken at much greater length than I intended, but I hope in the committee those few points will be considered. I hope that the governor and directors of the bank will be paralyzed, so to speak, in the matter of political finance, internal or international; that they will be given ample power, first, to deal with international finance having for its sole object the maintenance, as much as possible, of the currency of our country in proportion to the currency of the countries with which we deal, France if you like, but especially the United States and England; second, to help as much as possible the exchange of trade between Canada and the various countries which are likely to be interested in trading with us, not only for a short time but for a long period; and third, to endeavour if possible to reestablish on a proper footing the whole credit of Canada, federal, provincial, municipal and corporative, so that we may look in the future to some years of sound finance, sound production, fairly distributed consumption; or, in other words, so that some degree of social and economic justice will result from the application of this bill when it becomes law. I will therefore vote for its second reading with the greatest pleasure.

Mr. SPEAKER: A point of order has been raised as to the amendment and I am prepared to deal with it. Does any hon. member wish to speak to the point of order. If not, the motion is that the bill be now read a second time, and it is moved by the hon. member for Macleod (Mr. Coote), seconded by the hon. member for Wetaskiwin (Mr. Irvine):

> That all the words after "that" in the main motion be struck out and the following substituted therefor:
>
> "In the opinion of this house the government should give further consideration to the matter of providing that the stock of the proposed central bank should be owned by the government and that the governor and directors of said bank should be appointed by the governor in council."

As I was not in the chair when the Minister of Finance (Mr. Rhodes) began his remarks taking exception to the amendment on the ground that it is not in order, I have read the transcript of his statement, those of other members and the authorities cited, and have heard the arguments just concluded.

Standing order No. 1 of this house provides that:

> In all cases not provided for hereinafter or by sessional or other orders, the usages and customs of the House of Commons of the United Kingdom of Great Britain and Northern Ireland as in force at the time shall be followed so far as they may be applicable to this house.

There seems to be no standing order of this house governing this case and consequently we must follow the usages and customs of the House of Commons of the United Kingdom. For this I refer to May, thirteenth edition, at page 391, dealing with amendments proposed to the motion that a bill be read a second time. May says:

> Nor may such an amendment deal with the provisions of the bill upon which it is moved, nor anticipate amendments thereto which may be moved in committee, nor attach conditions to the second reading of the bill.

The amendment proposed by the hon. member for Macleod does deal with the provisions of the bill upon which it is moved in that it provides that stock in the bank should be owned by the government, whereas the bill by section 16 provides that the stock shall be allotted to the public with certain restrictions in regard to chartered banks and foreigners. The amendment proposes that the governor and directors should be appointed by the governor in council, whereas the bill by sections 8 and 9 provides that the directors be appointed by the shareholders. This is an amendment which may be moved in committee and not such an amendment as can be moved on a motion to read the bill a second time. Further, the amendment attaches conditions to the second reading of the bill in

that it calls for further consideration of the matter set forth in the amendment before the bill is given second reading. I therefore consider the amendment to be out of order.

Mr. R. W. GRAY (West Lambton): Mr. Speaker, the house has listened with interest this afternoon and evening to the remarks of the Minister of Finance (Mr. Rhodes) on the second reading of this very important bill to create a central bank of Canada. The minister has indicated that the house should cooperate with him and the government by making suggestions how we may, if possible, improve the various sections constituting the bill, and I hope anything that I may say to the house may be taken by the minister and the government as being in the nature of constructive criticism.

I propose to discuss the measure not as an expert in banking or finance, but from the point of view of the average citizen, to ascertain whether in the setting up of this corporate entity through which the very foundation of our national credit structure is to be controlled, we have given it the powers by which it may become an effective force nationally and internationally. If I should ask the house to-day what is Canada's greatest need, I think I could sum it up in one word—trade. Slowly recovering from the madness of economic nationalism which beset almost every country including our own, the world is gradually realizing once again the need for world trade. Leading economists have been outspoken in the matter and I quote but one, Sir Arthur Salter, an economist whose words have frequently been quoted in this house on other matters. Sir Arthur Salter on October, 1932, had this to say:

> Further development of world organization lies between greater freedom of trade and intercourse between nations and large economic units Not more in the way of isolation.
>
> The former will help to remedy currency and price situation in a normal way; the latter would aggravate that situation and bring certain nations to bankruptcy. The former would lead to peace and progress; the latter almost certainly to civil and international strife. The world is the only real economic unit.

Even this government, with its progressive nationalism and the introduction of policies which have helped to reduce the trade of Canada by almost two-thirds since they came into power in 1930, recognized this fact when they set up the commission on banking and currency. In the order of reference, P.C. 1562, we find the following:

> That it is also advisable to consider whether and in what respects the banking institutions and the monetary system of Canada may be modified, extended or developed for the purpose of facilitating intra-imperial and international cooperation in public policies designed to promote the revival of domestic and foreign trade and enterprise and the general increase of employment and to ensure a greater measure of stability in respect thereto.

Lord Macmillan recognized trade as one of the most important services that could be rendered by the central bank. At page 63 of the same report he said:

> The services which a central bank may perform in the international sphere are even less easily dispensed with in the modern world than those which it can render within the borders of a state. Whatever changes may occur in the volume of international trade and the comparative positions of various countries, there has never been a time when external financial inter-relationships have assumed more importance than in the last decade. The reason for international monetary cooperation is urgent and constant.

Again in section 164 of the same report we find the following:

> Canada presents a number of prominent economic characteristics which determine the special nature of her financial problems. These characteristics are mainly:
>
> 1. Excess production in relation to population;
>
> 2. Dependence on international trade;

In paragraph 166 we find this statement:

> Within her borders are immense and varied natural resources. The exploitation of these resources by an active and enterprising people has led to an output of commodities of many kinds greatly in excess of the consuming power of the existing population.
>
> 167. In order to dispose of this surplus, Canada has necessarily to find markets abroad for a considerable proportion of her production.

I need scarcely say here, because I do not wish to get into anything controversial, that the liberation of external trade has been and ever will be, I hope, one of the chief planks in the platform of the Liberal party. If liberation of external trade is one of our greatest needs and under this act we are marshalling the resources of the nation into one corporate body, what powers are we giving to that body in order that it may perform this very important function? I wish to direct your attention, Mr. Speaker, to section 20 of the bill, under which the business and powers of the bank are set out. I think that in respect of those functions which I have just outlined we are indeed falling far short. I shall read only clauses (e) and (f) of subsection 1 of section 20:

> (e) buy and sell short term securities issued by the United Kingdom, any British dominion, the United States of America, or France, having a maturity not exceeding six months from the date of acquisition by the bank;

(f) buy and sell securities issued by the United Kingdom or the United States of America, having a maturity exceeding six months from the date of acquisition by the bank, but the bank shall at no time hold such securities in excess of one-half of the amount of the paid up capital of the bank;

What are we doing? I submit that at the very outset in the creation of this central bank we are tying the hands of the board of directors by limiting the securities in which they can deal. I have only to point out that in short term securities they are limited to those of the United Kingdom, the dominions, the United States and France and that in the long term securities they are limited to the United Kingdom and the United States, cutting out the long term securities even of our own sister dominions. Are we to stop there? Are we to tie the hands of the board and say that they shall not encourage trade with whatever country it may be good business to trade with? Where are we to look for our increased markets? First I suggest that we should look to those countries which are becoming increasingly good customers. I find that Japan is running a close second to France in that regard. France buys from us $17,000,000 worth of goods, Japan buys $16,000,000 worth and Belgium buys $14,000,000 worth, in round figures. On the other hand our imports from France amount to $13,000,000, from Japan to $6,000,000 and from Belgium to $5,000,000. So I think we should encourage trade with these latter two countries.

Then, Mr. Speaker, what about developing trade with the South American countries? When England sought new markets where did she turn? She turned to the Argentine and financed industry and agriculture there, and as a result England has developed a trade with that country of which Canada is rightfully jealous. Let us look at our trade with two countries in South America, Colombia and Peru. Our imports from the small country of Colombia total about $5,000,000; she stands tenth in the list of countries from which we import, but she stands thirty-eighth in the list of countries to which we export. Should we encourage trade with Colombia? This bill does not do so. Peru stands seventeenth in the list of countries from which we import and thirty-fifth in the list of countries to which we export. Should we encourage trade with Peru? In my opinion, in tying the hands of the board we will not encourage such trade. These countries have become world minded; we have large investments of capital in them. Someone may say it is private capital, but after all the investment of private capital is made possible through the shares held by Canadians. So I think we should continue the friendly relations we have established with these two countries by virtue of our investments and if possible increase our exports to them. It may be said that financial conditions make this impossible at the present time, but my reply is that by this bill we are building for to-day and forgetting to-morrow. We are tying the hands of the board, as I have said, and I wish to emphasize as strongly as I can that the past is gone; the present is here. Let us build for the future on the facts of to-day and the hopes of to-morrow. If the bank that we have set up and constituted is to play its part in the economic life of the nation; if internally we are to have relief from the unemployment burden which bears so heavily upon us, then I say that this bank should be in a position to treat with, to work out arrangements with and to encourage trade with whatever country it considers it good business for the nation to deal with.

If, on the one hand, we have been restricting too greatly, on the other hand in my opinion we have under this same section of the bill been too liberal. Under clause (j) of section 20 we are to continue the policy of governmental paternalism to the provinces. Clause (j) is as follows:

Make loans or advances to the Dominion government or the government of any province on the pledge or hypothecation of readily marketable securities issued or guaranted by the Dominion of Canada or any province.

Let me call your attention, Mr. Speaker, to the expression "readily marketable security." If those securities are to be readily marketable, then let the provinces carry out the power that was vested in them by the founders of this confederation through the terms of the British North America Act, of which every province is so proud when we meet in interprovincial conferences, and which they always place before any federal government as a stumbling block to any remedial legislation which may be suggested by it. Let them carry out that power which was vested in them under section 92 of the British North America Act, namely that of borrowing money on the sole credit of the province. If securities are readily marketable what is the need of a central bank in connection with any of the securities they may have? They do not need a central bank; as is their power, they may go on the market. In spite of what the minister has said this afternoon, cannot hon. members imagine what pressure will be brought to bear both directly and indirectly in the purchase of those securities? Does anybody doubt that if this measure as at present constituted becomes law the central bank will

become the banker of the provinces? In a return brought down only a few weeks ago upon the request of the hon. member for North Waterloo (Mr. Euler) we find facts which are somewhat startling. The return shows loans made by this government to the provinces during the last three years. The figures show that in that period Manitoba received $8,000,000. Saskatchewan, $23,000,000, Alberta, $8,000,000 and British Columbia, $7,000,000. I have given only round figures. I frankly admit and quite realize the position in which the government was placed with respect to assisting for relief measures, but I call the attention of hon. members to the fact that $7,000,000 was loaned to the province of Saskatchewan for the purposes of general administration.

Mr. BOWMAN: Does the hon. member object to those loans?

Mr. GRAY: I certainly object to that one, namely the loan for general administration purposes.

Mr. BOWMAN: What about the rest of them?

Mr. GRAY: I do not except from this statement my own province of Ontario. In that province to-day some municipalities are defaulting, commissions are being set up by the provincial government to supervise municipal affairs, at a time when the provincial burden of debt is weighing heavily upon the taxpayers. I say that it is time that the provinces, individually, put their houses in order. It is time that, if possible, in every case they were doing their own financing; it is time they realized that they must pay as they go. If not, and this subsection remains, may I repeat that I fear whether the bank is privately or publicly owned we will make of it a political institution for the support of political friends.

The purpose of the central bank is the handling of credit for the benefit of production and distribution, rather than the earning of excess profits. How can control be exercised over drastic fluctuations in our commodity price structure in such a way as to ensure stability? It can be done only in this way, Mr. Speaker, namely by the government being able to appoint as governor of the central bank a man with the proper perspective of conditions internal and external, in order that he may determine just where the cleavage begins between sound banking and the avaricious manipulations of monetary and currency credits of profit making financial institutions. Where are we to find a man to fill this position? I hope to show in a moment or two that if we permit this legislation as at present framed to become law we may be setting up a virtual dictator.

Before turning to that point, however, may I refer hon. members to clause 6 of the bill describing those men who would be qualified and those who would be disqualified for appointment. In the first place, the governor and deputy governor must be men of proven banking experience, and each shall devote the whole of his time to the duties of his office. I have no complaint as to that. I point out again, however, that he shall be a man of proven banking experience, and that he must devote his whole time to his office. Then, in clauses (a), (b), (c), and (d), disqualifications are outlined. The first is that he shall be a British subject, and second that he shall not be a member of either houses of parliament or of a provincial legislature. Mr. Speaker, I protest that it is becoming a popular pastime of late for commissions—and even the government, if we recall the tariff board bill—to reflect upon the integrity and policy of members of the House of Commons and the Senate. If the officials to whom I have referred, are to devote their whole time to their work, of course a member of either house could not act. But, as I shall demonstrate in a moment or two, that is an absurd supposition when we are speaking of bank directors. If a necessary qualification is that a person's whole time shall be devoted to his work, then that person could not be a member of the House of Commons or the Senate. I say to you, sir, that men of ability might easily be found in either house of parliament and, as I said before, I protest against the inclusion of this particular subsection.

Then, turning to clause (d) I must ask the minister the definition of a "financial institution." We have indicated as being disqualified all those who may be directors, officers or employees of any bank or financial institution, or have interests as shareholders in any chartered banks or other financial institutions in Canada. What is a "financial institution"? Is an insurance company a financial institution? Apparently so, because Lord Macmillan so described them at page 29 of the report of the commission. Or are our large manufacturing institutions with heavy bonded indebtedness to be considered financial institutions? Again, we find the expression "or has an interest as shareholder in any chartered bank or other financial institution in Canada." May he be a shareholder or director of a financial institution in the United States? If he is a shareholder of a bank or a financial institution in

Canada he is barred; is he barred if he is a shareholder or director of a bank or other financial institution in the United States? Where is our red-blooded Canadian?

An hon. MEMBER: He has just gone out.

Mr. GRAY: Is he barred if he is a shareholder or director of a bank or financial institution of the United Kingdom? In short, Mr. Speaker, are we to eliminate Canadians as the governor and deputy governor of this bank unless we accept retired or discharged bankers? I hope the minister will give earnest consideration, as my honoured leader said this afternoon, to the appointment of Canadians before adopting the alternative proposed under this bill of entrusting the finances of this nation to someone out of touch and out of harmony with business conditions in this dominion.

Let me look for a moment at section 7 of the bill. This is the section giving powers to the governor of the bank, and as we have it before us to-night these powers may mean virtually the setting up of a dictator. Are we to set up as we did under Bill A, which became the railway act, a man in whom vast power is centralized? Section 7 provides:

> The governor of the bank shall be the chief executive officer and shall on behalf of the board have the direction and control of the business of the bank, with authority to act in connection with the conduct of the business of the bank in all matters that are not by this act or by the by-laws of the bank specifically reserved to be done by the board or at a meeting of shareholders.

It is not enough that the by-laws should be made by the governor in council. In the creation of this corporate entity that is being set up, we as a parliament should know what the by-laws are and what powers are specifically reserved, but under the section as now drafted we do not know. From a casual reading the governor is given all the powers that could possibly be vested in one man. The safety valve, I think you will agree, Mr. Speaker, in the business life of a nation is the fact that one man's mistakes are balanced by another man's wisdom. If we constitute this bank as the bill proposes I very much fear that a dictatorship will be the result. Distrust in the world to-day is due in large part to the concentration of power in the hands of small groups of individuals. The concentration of power, whether it be in the hands of the governor of the central bank or in any other institution, is inimical to the best interests not only of the people of Canada but of the peoples throughout the world.

Where are we to find this superman? Can we discover him out of the debauch of American finance? It is unthinkable. Can we decide between the two diametrically opposed schools of thought in England to-day, and pick our man from Lombard street? Can the government out of the morass of international finance pick a man capable of filling this position? Can we pick a man charged to manage the central bank and control the agricultural and industrial credit structure of this dominion in such a way as to ensure uniform and uninterrupted progress of production and distribution, and so that at no time will the individual or collective interests of the people be jeopardized either by unsound expansion or too greatly contracted credit. This is a momentous task that we are setting ourselves.

Let me give this note of warning. The soundness of the chartered banks in the dominion to-day has been maintained through the suffering of the Canadian people. How did they do it?

When the financial storm clouds broke, the octopus known as the Canadian chartered banks sucked through hypothecations and the powers given to them under section 88 the lifeblood of our people. The people of Canada did not find themselves in that position as a result of lack of business acumen on the part, for instance, of our hard-working agriculturists. It was not because of a lack of business ability on the part of our professional men that they found themselves sold out day after day by the managers of their banks. It was not even the aftermath of individual Canadian optimism. It was the disastrous result of taking the advice of bank presidents, bank directors, and bank managers, men whom we had been taught since our school days to look up to for guidance and advice in our financial and investment affairs. We have learned, Mr. Speaker, by painful results that there are no supermen.

Mr. MACKENZIE (Vancouver): Not even in the government.

Mr. GRAY: This bill is being sent to the committee on banking and commerce and I should like to impress on the minds of the committee the need for so fortifying the administration of this controlling institution as to leave no doubt that the soundness and safety of the Canadian financial structure will be maintained. By this I mean that dictation or influence by our present privately owned chartered banks must be eliminated. Neither must this central institution be subjected directly or indirectly to the force of indi-

viduals or corporations from the outside. The Canadian central bank can serve a useful purpose, but it must be put in a position to serve the interests of the Canadian people as a whole nationally and internationally.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, referring to the speech of my hon. friend who has just taken his seat (Mr. Gray), and who has expressed so forcefully the opinion that the present bankers should not have any control of the central bank, may I say to him now that it is my opinion that there is only one way to stop that, and that is by public ownership of the bank. If he knows of any other way to stop it, he failed to say what it was. Ten or fifteen or twenty years hence he or somebody else in the seat he now occupies will have to admit that what I am saying now is true, that your financiers, whether they be the present chartered bank owners or the bankers to be created by this legislation, will control the destiny of the financial life of Canada.

May I say, Mr. Speaker, that we in this corner of the house have very greatly appreciated the force of the argument for private ownership put forward by the hon. Minister of Finance (Mr. Rhodes)? May I also say that we very highly appreciated the fine spirit which he exhibited and the courtesy which he extended to us in the debate. We just as frankly say to him that while we heartily disagree with the principle of private ownership of the financial institutions of Canada, nevertheless we realize, of course, that the government is perfectly sincere in giving us this legislation. We frankly disagree with the private ownership of this bank and we advance our opinions just as the hon. minister himself advanced his.

May I at the outset, Mr. Speaker, say that this bill on the basis of private ownership is surprisingly good, and I question very much if hon. members of this house when it is considered in committee will find very many sections of the bill which they will be able very greatly to improve. Judging the central bank solely as a private institution, the government has presented us with a most excellent bill. I think it is revolutionary in one or two of its aspects. For instance I doubt whether there has ever been in the history of Canada a banking bill presented to parliament which was more against what the present bankers want. When I say that I realize fully that this bill contains even now too much of what bankers desire, but should not have.

This bill provides that we shall change from a gold basis where we redeem our notes in specie, to a bullion gold basis. It provides also that we shall reduce our gold reserve behind our notes to twenty-five per cent. It provides that this provision may be set aside temporarily by order in council or completely by parliament. The central bank is to control all gold and the profits therefrom are to go into the coffers of the state. The central bank is to issue all currency and to have some measure of control over credit. All of these things are excellent as far as they go, and indicate that there is a tendency towards the financial policies which have been advocated for at least twelve years from this corner of the house. I regret to say that it is only a tendency, although I congratulate the government on the distance it has gone. I must say that the bill is far from what I think it ought to be in matters of great importance, to which I shall refer in a few moments. However, the bill goes far enough to justify the policies which we have advocated for many years, and I do not think that the proposed legislation has come to where it is to-day without having encountered great resistance from certain quarters. There have been other governments in this country which either refused to face that resistance or did not realize that they ought to have faced it. The fact is that they did not. We needed a central bank at the last revision of the Bank Act eleven years ago just as badly as we need one now, but no member of the government at that time came forward to give us even a central bank even as good as the one proposed. I can remember that the Minister of Finance of that day contented himself with defending the position of the bankers and stating that the Finance Act as it existed in those days performed all the functions of a central bank and, therefore, such a bank was superfluous.

When the Minister of Finance was speaking this afternoon and when he spoke on the resolution upon which this legislation is based, he indicated that the mind of the government was open for suggestions for the improving of this legislation and would welcome constructive criticism. I accept that invitation just as frankly as it was given by the minister, and I want to make one or two observations. I must thank the hon. member for Labelle (Mr. Bourassa) for enlightening me as to the great difference between a principle proper and a principle in legislative parlance. I find that the principle of this bill is a central bank privately owned, to have absolute control over the financial policies of this country. I trust the

leader of the opposition (Mr. Mackenzie King) will find out sooner or later that the principle of this bill is much greater than is to be found in the preamble.

After having stated my view on the private ownership of a central bank, I shall have something to say in regard to the gold standard principle which is accepted by this legislation and the implied absence of a change in our monetary policy sufficient to furnish purchasing power for the consumers. I am at a great loss to know why the government should have gone to such great pains to try to take power away from the hands of the present bankers and then to deliberately put it in the hands of a private corporation to be created by this bill. That is precisely what is being done. The powers that are given to central banks in general and to this one in particular are very great indeed. This bank will have the sole power of issuing all currency and will have a certain prescribed measure of control over the credit of the country. Having control of the issue of currency and having control of the credit, this central bank will have the power to determine the nature and exent of our national industrial system. It will have the power also to influence and probably to determine entirely what shall be our international policy. With the powers which this legislation places in its hands, this central bank will be able to make credit cheap or dear, scarce or abundant; it will have the power to supply credit to industries here and to withhold credit from industries there; it will have the power to cause or prevent industrial expansion at will. Controlling currency and credit as it does, this central bank will determine not only our national but our international policies. In addition, it is to have the right to advise the government and to make the government take that advice. It will have the power to make connections with central banks in other parts of the world and it is anticipated that it will connect with other countries in a great financial network of financial imperialism, the centre of which in all probability will be the bank of international settlements. It is unthinkable that such tremendous powers having such far-reaching effects upon the social, business, political and economic life of this country should be placed in the hands of a private institution.

Let me refer to the functions of this bank as specifically defined in paragraph 206 of the report of the royal commission on banking and currency. This reads:

> In the first place, from a national point of view, the central bank, within the limits imposed by law and by its capacities, should endeavour to regulate credit and currency in the best interests of the economic life of the nation and should so far as possible control and defend the external value of the national monetary unit. In the second place, from the international point of view, the central bank by wise and timely cooperation with similar institutions in other countries, should seek, so far as may lie within the scope of monetary action, to mitigate by its influence fluctuations in the general level of economic activity.

These are laudable objectives for a central bank, but I submit that they are entirely beyond the scope of a privately owned institution. These are prerogatives which belong specifically to government and should under no condition be delegated, even for a moment, to a private institution. Surely no one in this house will question for a moment that the government should control the credit of this country. The royal commission frankly recognized that principle in paragraph 207, which says:

> A central bank is at the same time an instrument and a force. As an instrument it is the means by which the state—which must necessarily retain ultimate sovereignty in matters affecting the currency—can give effect to the national policy.

That the power to control the national policy has passed from the state to the banking institution that is proposed, there can be no doubt. I asked the minister this question:

> Supposing the central bank was endeavouring to regulate the control of credit in Canada, and supposing the policy it adopted in order to do so was contrary to the policy of the government of the day, and they clashed, which authority would make the decision?

The minister replied:

> Unquestionably the authority of the governor and the board of directors of the bank would prevail.

Discussing his answer to my question tonight the minister went on to say that of course his answer presupposes that this parliament is always supreme. Yes; this parliament has been supreme in the same way for the last ten years. But who controlled the financial policy of this country? The chartered banks have controlled it, and the mere talk about the supremacy of parliament does not alter the facts of the matter; for the bankers, not only for the last ten years but for a great many more years, have had full control of the financial policy, the power having been delegated to them by this parliament, and I am not very much interested in the abstract question of the extent to which parliament has yielded its powers. I am not interested in that; I am interested in the fact

that these powers, which properly belong to the government and to parliament, are being exercised by private institutions for their profit and to the detriment of the economic life of the dominion.

If this legislation is passed I hold that this government is yielding sovereignty in matters of financial control. True, this parliament may have the power to recapture that sovereignty; I am not questioning that. But I am saying that by delegating these powers we are practically yielding sovereignty in the matter of control of financial policy. And, if you please, we are to yield this power to a private institution because of a thing called political influence. Let me remind the minister and this house that it was the abuse of power by private bankers and by none other that has led to the great and universal agitation for public control of finance to-day. Let me offer an example or two of maladministration of finance, both in this and in other countries, by private banking during the last few years, to go no further back. Everyone will realize that the drastic deflation policy of the post-war period was a policy of the bankers, universally applied, entirely destructive in its influence upon the business and industry of every country where applied. That policy, followed for years, indicates the stupidity of bankers, the incapacity of bankers, an incapacity that was frankly acknowledged by the leader of the greatest central bank in the world, Sir Montagu Norman. I am just reminded that he was getting married at that time, and his vision ought to have been clearer then than at any other time.

Another example of the bankers' failure is this. Take the world's debt, which stands to-day at over four hundred billion gold dollars. Who devised the system by means of which that tremendous debt was pyramided? Private bankers. And who were the people who actually administered that system and made the loans represented by these debts? The private bankers. The private bankers of the world have made the greatest mess of the world's history, and we are in the middle of it now. And now we are going to start another group of private bankers and put into their hands the power to guide the financial destiny of Canada. Not only have the bankers been the greatest failure in history, accounting more than any other class for the present economic position of the world, but it is true to say that there is no class in this country in which the people have less faith in the handling of the financial situation than they have in the bankers at the present time.

It would appear that the government is aware of the incapacity and unpopularity of the bankers, from the manifest effort to exclude them from even holding shares in the central bank. Let me quote the minister in this regard—and here is a splendid principle, which I regret to say was forgotten in the drafting of the bill. When speaking on the resolution, commenting on one of the functions of the bank being to give expert advice to the government, the minister said:

> It cannot be too strongly emphasized that the exercise of these functions lies outside the power of any simple commercial institution or group of commercial institutions.

Now, this is what I want you to listen to particularly:

> No purely profit-making institution, operating in a competitive system, can afford to place social interest before its own in regard to credit policy.

Now, sir, that is truth; that is a statement of a great democratic and honest principle, and I regret to say that the minister has not followed it in the drafting of the legislation. But I would raise this question: Can the present bankers be excluded from holding shares in the central bank? I submit that they cannot, that there is no legislation which this government or anyone else can pass that would prevent them from getting control; and I propose to indicate how they will get it. Take the National Trust Company and the Montreal Trust Company; both are subsidiaries of banks in this country. These companies have 832 directorships in a number of business concerns, and in addition to that there are 183 companies in this country that have a president and directors on one of the big three banks in Canada. Now, these companies may buy shares in the central bank stock. So far as I know, there is nothing in the legislation which will prohibit individuals in these companies from doing so. So that such individuals, being already directors on one of the various banks of the country, will also have control of the stock and control of the directors of the central bank. That is only one way in which the bankers may overcome the legislation now before the house in so far as it tries to exclude them from holding shares in the central bank. The government however shows continued faith in private ownership, in creating a new group of private bankers. The minister admits the danger of this, and he thinks that safety lies in the limiting of profits. I quote him:

> Limitation of profits removes dangers inherent in private ownership.

He is referring to the private ownership of the Bank of Canada. Well, the answer to

that is this, that so far as the central bank is concerned, if the shareholders are heavy holders of interest bearing securities, which in all probability they will be, they could very well afford to dispense entirely with profit on their central bank stock in exchange for the more lucrative possibilities of increasing the value of their securities. This they could do by controlling monetary policy through the central bank, and that is the real danger in the proposed act. The sincerity of the government notwithstanding, this profit-limiting provision amounts to throwing a sprat to catch a mackerel. Let us ask by what magic officials of private corporations supposedly become wiser and more virtuous as public servants than men and women who have been elected by the public and charged with the specific duty of giving the public service? In what is that extra wisdom or virtue to be found? Does it lie in the mere buying of a share of stock? Is it to be found in the fact of private ownership of a share of stock or where is the difference to be found?

Suppose, for instance, the government sell central bank stock to 50,000 Canadians and the directors and governor of the bank are elected as provided for in the bill. Does any one for a moment suppose that by that method we may feel assured that we shall get a wiser or more honest or able governor of that bank than we would if he were appointed by the Minister of Finance, or the governor in council, or the leader of the opposition, or any other gentleman who might be entrusted with the powers and duties which now devolve upon the present administration? I do not think anyone will actually say that we could expect to get a wiser or more virtuous governor of a bank by having him elected by 50,000 shareholders of a private corporation than if he were selected by the elected representatives of the Canadian people.

Political influence is the scarecrow in the name of which public ownerships is condemned. Frankly I do not pay much attention to that. I admit the argument of the Minister of Finance this afternoon was one which would blast all parliaments and all governments whatsoever; it had no other effect, for if we are to take him seriously—and I believe he meant that we should do so, because I believe he was speaking fervently and sincerely—then he is simply indicating in greater eloquence than he is aware of that this institution is bankrupt and the sooner we say so, the better. I regard this political influence story pretty much as a scarecrow, but if political influence is so bad that we cannot make our institutions honest and efficient, then let us cleanse out the bad influence, or stop the whole business, and start another kind of institution. Personally I think this is more or less old wives' fables. The Canadian people have a greater need to regret the influence of bankers over governments than to regret the influence of governments over the banks. I do not speak of the present government in that regard; I mean Canadian governments in general and at all times.

It is true that government appointees are suspect. Party strife in this country as in others sometimes has gone to unreasonable limits, and the people of Canada, being true democrats, have been inclined to believe what both sides said. One side blamed the other for being corrupt; the other blamed the first for being corrupt, and the people came to believe them both. That, I say, has more or less destroyed the good faith of the people in all governments. The private institutions of this country, sensing the tendency towards socialization in every department, are exploiting the exaggeration of political conflict to which I have referred in order to hold on a little longer to their private privileges. Before I leave that point, supposing what the minister said this afternoon is true and that a private corporation can run this banking system better than can the government, then frankly, why not start a new corporation for all government whatsoever? Let us have $10,000,000 of capital stock instead of $5,000,000 which is the amount of stock fixed for the Central bank, but in every other respect organize a company to govern Canada just as we propose in this legislation to organize one to govern the financial part of government, and thus take out of the hands of a political institution such as this parliament all government whatsoever; then we shall have applied in government that efficiency and that holiness which supposedly belong exclusively to private institutions. Then we shall have government by corporation, and end political influence forever. Why not do that? If what the minister said this afternoon is true in regard to a bank, it is just as true in regard to every other department of state, and the same inefficiency which he anticipated in connection with a bank must be found in every other department, so that the sooner we admit that frankly and form a national private corporation to govern Canada, the better. But let me say that I would rather take my chance as a Canadian with a nationally owned bank and its governor and directors appointed by the present government or the opposition than with a bank the governor and directors of which were appointed by the shareholders of a private corporation.

The bill provides for private ownership; it does not, however, provide against political influence, because the government appoints the first officers of the bank, but it appoints those it cannot control after the appointment is made. The minister tells me that the word of that appointee becomes final when there is a clash in policy between the government and the bank directors he has appointed. Therefore the very worst kind of political influence still remains in the legislation. The government retains just enough influence to get the blame, but has not enough power to determine policy, and it may find itself in a position where there will be a strong man following a policy detrimental to the government's interests, and it will not be able to stop him because he has been elected in the manner provided by this legislation which gives a private company power to control him. Such a situation is not only possible, but, I should say, very likely to happen; for does anyone hold that the interests of a private bank always run parallel to the national interest?

Instead of the interests of private banks running parallel to the interests of the state, they more often run across or contrary to public interests. Let me take the Bank of England as an example. We have in that institution one of the oldest and most efficient private banks and central banks in the world. Let me, as hastily as I can in order to get my thoughts expressed before my time is up, refer first of all to what contemporary statesmen of Great Britain think of the central bank of that country. First I refer to the words of the Right Hon. Ramsay MacDonald, the present Prime Minister, They were quoted this afternoon, and I must not stop to quote them again, much as I should like to do so; but hon. members who heard the hon. member for Macleod (Mr. Coote), will recall how he quoted Mr. Ramsay MacDonald to the effect that the banking institutions of any country had full control over any government. Let me turn next to the Right Hon. David Lloyd George who, as usual, is fearless and outspoken on the matter of the Bank of England. Speaking in the British House of Commons, on February 12, 1930, he said:

> I want to urge the Chancellor again not to be too frightened of the city of London. Since the war the city of London has been invariably wrong in advising the government. . . . Rapid deflation was a mistake, and it had an injurious effect. . . . The precipitate establishment of the gold standard was another thing which undoubtedly dealt a staggering blow at our export trade.
>
> They have been wrong every time. . . . Now there is no doubt at all that they are using the whole of their tremendous influence for the purpose of restricting the raising of money for national development. Take the cause of depression throughout the world at the present moment. There is not a man who has examined it who will not tell you that a very large part of it is due to the mishandling of monetary questions on the advice of the money barons.
>
> These men who have mishandled this monetary question not merely advise what to do, but establish a veto upon every proposal which is made for national development. We got rid of the veto of the House of Lords. Take care that you do not establish a more sordid one.
>
> If you go to the city of London, what is their only remedy for depression? Their only remedy is by placing artificial barriers to prevent plenty from reaching want.

The same right hon. gentleman, in an interview in Forward on January 7, 1931, said:

> The city is the stronghold of reaction. All the time when I was chancellor of the Exchequer up to 1914, I had to fight the city. And then in 1914 the city had to come crawling to the government for assistance.
>
> Talk about public control! It was that that saved the city in 1914.
>
> No government will ever get a big program through unless it is prepared to face up to the reactionary money interests in the city of London.

Then Right Hon. Philip Snowden, speaking on the Gold Standard Bill on May 4, 1925, said:

> Since the report of the Cunliffe committee, the government and the Bank of England have begun a policy of very rapid deflation, in the course of which, few people will dispute, there have been very serious consequences. It has ruined thousands of businesses, and it has greatly enriched those who were the holders of fixed interest bearing securities. It is in a large measure—certainly I would not be so foolish as to say wholly—responsible for the grave trade depression and the widespread unemployment that we have had during the last three or four years. We fear that this precipitate return to the gold standard may have similar consequences though not of course to the same extent.

The same right hon. gentleman, in Labour and the New Social Order, published in 1926, wrote:

> The banking business of Great Britain is rapidly developing into a great monopoly. Private banks have disappeared, and five great banks now control the great bulk of the business of the country. Since July, 1918, the big five have absorbed twenty-one joint stock and private banks. This money trust, together with the Bank of England, which is at the same time a private concern and a semi-public institution, fixed the bank rate and the rate of discount for treasury bills which, in their turn, determined the price of money to traders and other borrowers. The nationalization of the banking system would effect economies of administration; it would give greater security to depositors; it would secure for the state the

enormous profits made by the joint stock banks, and it would give to the state more effective control over the regulation of prices.

Now may I turn from contemporary statesmen to one whose words, I am sure, will meet with considerable approval in this house. I refer to Right Hon. W. E. Gladstone, and I quote from his life by Morley:

> From the time I took office as Chancellor, I began to learn that the state held in the face of the banks and the city, an extremely false position as regards finance . . . . The hinge of the whole situation was this, the government itself was not to be a substantive power in matters of finance, but was to leave the money power supreme and unquestioned. In the conditions of that situation I was reluctant to acquiesce, and I began to fight against it by financial self-assertion from the first. I was tenaciously opposed by the governor and deputy governor of the bank, who had seats in parliament, and I had the city for an antagonist on almost every occasion.

That indicates that this is not a new fight. The right hon. gentleman lost the fight then, and no one has ever won it since. I could multiply these quotations; they would all go to strengthen the conclusion that the interests of central private banks do not run parallel with the interests of the state, and that when they cross each other, when the interests of the state clash with the interests of private banks, then the wisdom and advice of private bankers carries the day, because they have the power. Now we are about to build up in this country a central bank constructed largely on our concept of the central bank in Great Britain. That institution has a great heritage of confidence; it has a great good name for honesty and efficiency; it has given more advice to governments than any other institution; it has forced its advice on governments to a greater degree than any other institution, and it has been wrong oftener than any other institution of which I have knowledge. We would do well to take warning from British statesmen at this stage.

If I had time I should like to quote other authorities, but let me point out that the central bank legislation as it is proposed now is legislation which will give to a private institution the power to control credit, industry and national policy, both internal and external. The institution which controls the credit of this country will control the policies also, whether or not it wants to or whether or not it has the brains to do so. It will do that because it will have in its hands the very helm of the whole national life. The government should and must control policy. I should like to quote Sir Thomas White who advocates, if we are to have any bank of this kind at all, that it should be publicly owned. Reference has been made also to Hon. J. E. Brownlee; I intended to quote that hon. gentleman, but my time is almost gone and as yet I have not had a chance to deal with the second point which I intended to develop.

My second point, sir, is that of the financial principle underlying the policy of the bank regarding credit control. In my opinion that is even more important than the general question of control, for we might have a government controlled bank with a wrong policy, a policy of deflation as bad as that of the present banks. So the policy that is to be followed for the next few years in Canada in regard to the control of national credit is of supreme importance. What is that policy? Judging from the statement of the delegates of the British Commonwealth of nations, who met after the conference in London, which statement was quoted by the royal commission and which seems to have had a tremendous influence upon the government in bringing forward this legislation, the policy that will govern the money policy of Canada in the near future and perhaps for a long time to come will be the old time, rigid, sound money policy which has been played out for half a century. Those delegates stated that they:

> —now reaffirm their view that the ultimate aim of monetary policy should be the restoration of a satisfactory international gold standard.

Who ever heard of such a basis as the ultimate aim of the monetary policy of a nation? Certainly we can understand a bank having a monetary policy of that sort, but never a nation. With such a policy our credit will be controlled in the interests of the money markets; it will be controlled in the interests of the sound money policy of the bankers.

I turn for a moment to deal with this question from another angle. I think we may take it for granted, from one statement made by the minister, that the gold standard is to be used alone for international exchange, though when we look at what he says in another place we begin to wonder which of the two principles he wants to follow. He made that statement in one speech, but in another he said:

> The ability of central banks to maintain any monetary standard largely depends upon its control over internal credit policy.

If that means anything it means that our internal credit in Canada will be controlled by the gold standard to which this legislation is committed, and that, sir, is a dangerous policy to follow. Are we in this country to commit ourselves to a policy which will pre-

vent us from producing abundance when we have abundant means with which to do it, and which will prevent us from consuming the goods that may be provided merely for lack of a bookkeeping system called money? This policy of making the gold standard the basis of our credit control is just as stupid for international relations, in my opinion, as it is for internal economy. That was the reef which wrecked the world economic monetary conference. President Roosevelt refused to pare down his internal economic policy to some artificial gold standard set up by the nations of the world.

Mr. NICHOLSON: What has been the result?

Mr. IRVINE: It is too soon to speak of the result, but if my hon. friend knows anything about it at all he knows that the little increase in prosperity in Canada is merely a reflex of the increase that has taken place in the United States.

Some hon. MEMBERS: Oh, oh.

Mr. IRVINE: I am not defending the policy of President Roosevelt; I am pointing out that stabilization of exchange on the gold standard was the reef which wrecked the conference. President Roosevelt refused to do it; he devoted his policy to the internal economic problem of the United States, and by his actions he said, "We will establish a gold basis, if we have to, in keeping with the economic life of the state." He flatly refused to limit economic development in the United States to any gold standard basis of stabilization.

Mr. MACKENZIE (Vancouver): May I correct my hon. friend's remark? Roosevelt changed his policy in regard to stabilization of currencies, confining his policy to raising internal price levels; it has not anything to do with gold.

Mr. IRVINE: My hon. friend has said better than I could what I have tried to say. I hope he will look at Hansard and discover that fact. I am simply trying to point out that President Roosevelt refused to have anything to do with gold.

Mr. MACKENZIE (Vancouver): Gold was not a factor, as far as Roosevelt was concerned at that time.

Mr. IRVINE: Gold was a factor in the international policy which wrecked the international conference. As I have said, President Roosevelt refused to bind his economic policy to that, and proceeded on an entirely new basis of national policy.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, it is with some natural humility I follow the excellent oration to which we have just listened, and may I be the first to extend my congratulations to the hon. member for Wetaskiwin (Mr. Irvine) upon the devastating manner with which he dealt with the argument of the Minister of Finance (Mr. Rhodes) this afternoon. In the years I have sat in this house I do not believe I can remember a ministerial pronouncement having been so utterly torn to shreds.

An hon. MEMBER: Oh, oh.

Mr. GARLAND (Bow River): The loud laugh that speaks the vacant mind. No doubt I shall have more hollow interruptions before I have finished.

May I at the outset deeply deplore the fact that for some reason or other the Macmillan commission in Canada, quite unlike the commission of the same name which acted in the United Kingdom, did not undertake a comprehensive and thorough survey of the entire banking and credit system of Canada, nor did it make recommendations which would be of assistance to this House of Commons in revising the Bank Act. Apparently it contented itself—evidently, according to instructions—with an examination of the field in respect of the possibility of creating a central bank. That appeared to be the purpose to which it devoted its major attention. True, it heard a great deal of evidence, and listened to pronouncements from many people who appeared before it on various matters, but it devoted its constructive efforts almost entirely to the question of setting up a central bank in Canada.

I now wish to direct the attention of hon. members to some of the statements made in the report of the commission which bear out what I have just said. "We conceive" said the commission, "that our larger concern is with the question of the establishment of a central bank. That, no doubt, is why we are required to consider the advisability of establishing some form of central bank in Canada." It is to be regretted however, that in the wording of a section which follows shortly after this one a most unhappy conclusion may be drawn, for the report says that the creation of the central bank is to be "with the single aim of improving and strengthening the Canadian banking and financial structure." I submit that under no circumstances should a commission of this character have regarded as the sole aim either of its activities or of a structure it proposes to erect that it should

strengthen and perpetuate the Canadian banking and financial structure. If these were the instructions received from the government, then I venture to say that they were the most stupid, unintelligent, ill informed and destructive instructions which could have been given to any body with such a task in hand. The commission's chief aim should have been to devise the most suitable monetary and credit system for the people of Canada.

Further on, at paragraph 13, the commission points out that the question of socialization was brought before them by several witnesses. This angle of the matter, however, was not regarded by the commission as coming within the terms of their reference. Yet in the report I find this expression: "The world will not return to the status quo ante," and again: "In such a time of difficulty, experiment is justifiable." The world was not going to return to the original status in respect of monetary or any other matters, said the commission, and in the next breath that experimentation was justifiable, immediately following a statement that it had no power to experiment or recommend experimentation in nationalization. What is before us is not an experiment; it is simply the establishment in Canada of another of the chain of central banks which to-day, subject to a few very powerful ones, because of their preeminence and long standing, are taking over the very world itself and vesting power in the hands of an increasingly small number of private, powerful groups in the world's financial field.

Following that, as to the question of socialization I refer to the quotation offered by the hon. member for Westaskiwin and attributed to the Minister of Finance, who, speaking to the original resolution, said that no purely profit making institution operating in a competitive system could afford to place social interests before its own in regard to credit policies. I submit the words "in regard to credit policies" are unnecessary. The minister could have left those words out and simply said: "No purely profit making institution operating in a competitive system can afford to place social interests before its own." Of course, that is true. It is true of every institution under the present system. We are proposing through this act, to superimpose firmly upon a privately owned banking system a privately owned central bank. The present commercial banks will continue to possess the immense and profitable power of the allocation of credit. The central bank is to have the great controlling power over the volume of credit. The central bank will determine within the limitations provided, the volume of credit within the country. I say that in so far as internal affairs are concerned, the allocation of the credit is as important as a determination of the volume of credit. We are thus placing in the hands of private individuals power over the very economic life and stability of our nation.

A feature which to me is most interesting is the precipitateness with which the government suddenly changed its mind in respect of the important question of a central bank. It is only a few years since the Prime Minister of Canada said it might be possible in fifty years from that time—1931—to think of such an institution, and that doubtless if they were in power at that time the necessary action would be taken. Well, only three of those fifty years have elapsed, and yet we have the government introducing this bill to the house having for its purpose the establishment of a central bank. It is true that at the time he made that speech it was made on the proposal of the hon. member for Macleod that we would have a nationally owned central bank, and not a privately owned one. There is just the possibility that the Prime Minister may have intended to refer to the principle of private ownership of a central bank. However, as I said a minute ago, before three years of the fifty have elapsed we are asked to consider the establishment forthwith of a central bank.

Again, at page 1551 of Hansard for 1931 the Prime Minister said: "I should like to know just wherein the central bank would at this time better serve our conditions than the present Finance Act?" No one in this house has yet answered that question. Neither the Minister of Finance nor any other hon. member has indicated to the Prime Minister wherein the central bank is going to serve better the interests of the country than did the Finance Act. And, a little later on, having given full illustration and complete description of how the Finance Act had been administered, the same right hon. gentleman said: "What more than that could a central bank do?" Now, I ask him: What more than that is it proposed that this bank will do? The chief difference between the two institutions is, in my opinion just this: Under the old Finance Act the government, through the Minister of Finance, was able to exercise a certain power in respect of the volume of credit in the country. The treasury board could, in relation to the administration of the act determine upon a great increase in the credit volume or a contraction in the credit volume. Now we are asked to delegate to a

private institution this very control, giving over the last vestige of what was referred to as the sovereignty of the people of this country over their credit power.

I wonder if the speed or haste with which the change of mind occurred had any purpose or intent behind it. Hon. gentlemen will remember that in June last the Prime Minister declared his intention of appointing a royal commission for the purpose of investigating the whole banking and currency and credit system in Canada. The right hon. gentleman then left for England. Most hon. members, probably all of us, know the troubles into which he got over there. But to resolve our deliberations into mere facts the commission that was to have been appointed immediately after June was not appointed until August. I do not yet know why. When it was appointed the Prime Minister of this country selected from Great Britain certain eminent but extremely orthodox gentlemen—men like Sir Charles Addis, for whose reputation I have a very great respect, but for whose orthodoxy in matters of finance I have nothing but the deepest regret and, contempt. When I find men like Sir Charles Addis, who all his life has been an associate of big business and related to banking in a direct way, selected to come over here to determine what our financial institutions are to be in Canada, I am frankly shocked.

Shortly following that, we learned the Prime Minister had succeeded in negotiating a loan, doubtless financed through the Bank of England, for fifteen million pounds, and it is significant that that was the first loan of importance that Canada had been able to secure in London since the Grand Trunk scandal. I wonder if these really are unconnected matters. It would be as well if these things were cleared up. I will tell the Minister of Finance why I would like them cleared up and of the fear I have in regard to their possible implications.

We find—but not until a certain dinner was held at Canada House in London—that two estimable gentlemen, Messrs. Kershaw and Fisher, accompanied the royal commission during its travels throughout the Dominion of Canada. They were neither heralded nor sung. No one knew of them or what they were there for. No publicity attended their travels, and yet it now develops, as a result of after dinner speaking at Canada House, that Messrs. Kershaw and Fisher were two officials of the Bank of England, and it is suggested that these gentlemen had a great deal to do with the drafting of this very bill and of the report. These facts are to me extremely significant. The occasion upon which this dinner was held was a celebration in honour of Lord Macmillan. I have also heard it suggested that Mr. Kershaw will probably be the first governor of the Bank of Canada. I would like the government to take the house into its confidence in regard to these matters.

I am raising these issues because of this fact: There has never been a central bank in existence in this world that has had the tremendous and overwhelming power at all times of the Bank of England. In only one period was her supremacy in international finance challenged, and that was when, following the war, New York attained a position in foreign exchange markets comparable with that of London. But that lasted for only a brief period, and even the great money market of New York is now shrinking once more to second place. Let it be noted that men associated with the treasury and directly associated with the bank itself have time and again indicated that the policy of the privately owned Bank of England, could determine not only the position of England in respect of financial matters but quickly thereafter the policy of every money centre in the world.

I happen to have adopted this country as the place in which I was to live and bring up my children and to die. It was one of my aspirations when I came to understand and to know Canada that it should be not only politically free but economically free, and that implies financially free. But I say to the Prime Minister and to the government that if they establish a private central bank in Canada of the character that is proposed in this bill, it will, in the very nature of things, become to all intents and purposes a subsidiary of the Bank of England. Its policy will be dictated and decided by the Bank of England, and we shall through the Bank of England be involved in the future in international commitments. The matter is serious. It is so serious that I decline to support the second reading of any bill for a central bank if it is to be privately controlled or to turn over this power to private individuals. If Canada is proud of the position she has to-day attained as a nation free and equal in all respects with the mother country within the ambit of the union known as the commonwealth, then I say to the Prime Minister and those associated with him that he is sacrificing what is more important than political freedom if he sacrifices the

financial autonomy or invites the possibility of losing the financial autonomy of Canada. It is true that in actual practice up to this stage Canada's financial policy has in no small degree been determined by other private banking institutions, notably the federal reserve of the United States of America. It is not many years ago that some hon. gentlemen opposite were shocked and showed annoyance when I submitted to them that our financial policy in Canada had been for years, and was at that time being, directed from New York. They did not like the truth, but they are getting the truth to-day even from the mouths of their own government. But while that was true, we did still possess the power to reassume the control of our own financial institutions and to conserve and reserve them for Canada, and for Canada beyond anything else, first, last and all the time. It is my contention, Mr. Speaker, and I repeat it in closing this section of my remarks, that if we now set up a privately owned central bank it is inevitable that sooner or later it will become a part of the ring of central banks that may become a sterling union, and whether it does enter the union or not it will be subjected to the powerful influence and credit policies of the Bank of England.

Mr. BENNETT: It is entirely improper to make that observation in respect to the Bank of England, especially in view of the fact that last year the hon. gentleman voted to tie Canada to sterling as a condition of the Ottawa agreement.

Mr. GARLAND (Bow River): Not at all—

Mr. BENNETT: That is exactly what you voted for.

Mr. GARLAND (Bow River): The right hon. gentleman's remark was not a question, Mr. Speaker.

Mr. R. G. Hawtrey, a gentleman of some reputation in banking circles in Great Britain, and who I think held an office of some importance with the treasury, says at page 26 of his book, Trade Depression and the Way Out:

Under the earlier conditions—

That is, prior to the ascendancy of New York following the financial debacle after the war.

—when the London market possessed the sole leadership, credit restriction in London would soon have been followed by credit restriction in all other centres, and the question whether there would be any differential effect making contraction relatively more severe in British industry would not have arisen.

[Mr. E. J. Garland.]

A dozen quotations of that character could be cited to prove my point in this connection.

I am afraid that the powers of a central bank is much misunderstood. I do not agree with those who suggest that a private central bank would prevent bank failures; it has not in other countries. I do not believe that a private central bank will provide more funds for agriculture or for other industries; it has not in other countries. I would like to ask this question: In what country has a central bank prevented collapse or assisted in the speedy recovery from a collapse? Not one central bank has succeeded in doing any of these things. The reason may be that the control of most of these banks has been in the hands of private bankers with intelligence of the type described by the hon. member for Wetaskiwin in the closing part of his remarks.

As a matter of fact, as a rule private bankers are not concerned with national or public interests except in so far as they affect themselves. Their primary concern is the well being of their shareholders, and therein lies a danger which should be pointed out at this stage. With all due respect to the Minister of Finance, I submit that under conditions such as we have in Canada, six per cent is an extremely substantial dividend. It is not a low rate and it happens to be the common or customary rate provided for central banking institutions. The minister and the government are not providing any safeguard in this dividend against the possible effects of the directors of the bank being governed by the interests of their shareholders should a conflict occur between those interests and the national well being. After all, they have to make a showing for their shareholders. This has been so true in the past of other banks that it is not necessary for me to strain the point; it must be clear to all.

A central bank may determine the quantity of credit available to bankers for commercial purposes but, as I said earlier, the commercial bankers determine the allotment and allocation of that credit. We had a striking illustration of this fact on this continent in quite recent years when there was a complete failure on the part of the commercial banks of the United States to extend to the public and to the consumers the vast amount of credit which was made available by their federal reserve system. Hon. members will recall that two years ago this spring the federal reserve bank of the United States purchased long term securities and other frozen assets from the commercial banks with the idea of increasing their reserves so that a flow of credit would

become available for industry and recovery be brought about. What the commercial banks actually did was to make their own position liquid by selling their frozen assets to the federal reserve bank and then sitting tight. The effect upon the public was not that which was expected by those who were responsible for putting that policy into operation. The direction of credit is a function so important and so peculiar in itself that it should never at any time be exercised by individuals whose actions may be determined by the interests of their shareholders.

It is obvious that the officials of the central bank provided for by this bill are to be in absolute control of the major monetary policies of Canada. I agree with the hon. member for Wetaskiwin and the hon. member for Macleod that to put a power of that magnitude, a power which will dominate the very economic life of our people, into the hands of such a group is not only unwise but is a betrayal of our duty as trustees of the interests of the people. To whom are the directors of this bank to be responsible after it has been created? To the people? There can be no reply. The minister himself has intimated the superior position in which the governor of this bank would be in the event of a conflict of opinion on policy. I need not repeat his statement; I think it has been put on record at least twice. The history of private central banks does not provide us with any justification for optimism that the central bank of Canada will be governed by any other interest than that which affects its own stockholders.

The bill states that the officers are to be appointed by the government. This is a peculiar anomaly. In one breath there is condemnation of a publicly owned institution because of the danger of political patronage; in the next breath we find that the first governor, deputy governor, assistant deputy governor and directors are to be appointed by the government. May I ironically suggest that of course there will be no possible taint of patronage in those appointments; they will be free from any stigma in that regard.

I suggest to the Minister of Finance that there is just as much danger of political interference in a privately owned bank as there is in a public one. This has been so in industry all through this country and it is especially possible in the case of this bank, since the first directors and officials are to be appointed by the government. Bankers all over the world have used the argument of political influence in order to keep the people from obtaining control of the banking machine and preventing bankers from continuing to exercise their terrific and powerful privileges over the rights of the people in respect to monetary and credit matters. What does this criticism or objection imply? Accepting it at full face value, the objection to a publicly owned bank on the ground of political interference means but one thing, that our political leaders will betray their trust as guardians of the public welfare. For the life of me I cannot imagine that the polished, the accomplished and the erudite Minister of Finance would suggest such a thing to this house. Yet he does it, both directly and by implication; he suggests that our political leaders would prove untrue to their trust if they had jurisdiction over such an institution. Another inference from his criticism is that the bankers would always decide against their own special interests should they clash with those of the public. If he can show me one single case in history where the bankers have set aside their own interests to take care of the public or the national well being, I will withdraw this criticism. Neither the Minister of Finance nor the Prime Minister can give me one instance, because it does not exist.

I do not deny the possibility of political pressure and political influence, but the house knows quite well that the heads of the bank and the government would have to answer to the public, not only at election time but through criticism in this house. This would be the case from the time the bank was first set up. If there was any wrongdoing it could quickly be brought to public attention; if there was any wrongful diversion of privilege and power to banking interests, it could quickly be brought to the attention of the public and the house and corrected. But if this is left solely and solidly a private institution, it will not be made to account. It will be supreme in itself and master of the destiny of the people of Canada. Even Sir Thomas White himself, a gentleman of no mean attainments in banking circles, has ridiculed this idea that political interference is a just reason for the abandonment of the principle of public ownership of such an institution. Moreover, it is interesting to note that while he did not agree with the necessity for setting up a central bank at this stage, he did agree that if one was set up it should be a public institution. That is his opinion, and I regard it as a particularly strong one, considering the position he has held, and the reputation he still enjoys in Canada. He says, respecting the Finance Act:

It was suggested during the course of our hearings that political influence might possibly

affect unfavourably the administration of the Finance Act because the Treasury Board which authorizes advances and fixes rates of interest payable thereon is composed of members of the government. With regard to this I have only to say that if by "political influence" is meant partisan or improper influence not a shred of evidence has been adduced before the commission in support of such a suggestion.

"Not a shred of evidence has been adduced", and if there is any body that could have lent itself readily to political influence in regard to monetary matters it would have been such a branch of a department of government. I resume the quotation:

> The fact is that authorization of advances under the act is an almost purely routine matter of administration carried out by the Treasury Board, aided by the recommendation of the Minister of Finance and the advice of his chief officials. I have no hesitation in asserting that the administration of the Finance Acts under all governments has been wholly free from any such influence.

I submit with all respect that these words of Sir Thomas White, coupled with the words already referred to of the Hon. Mr. Brownlee, are sufficient to justify my contention that the argument against a publicly owned central bank on the ground of political interference is not substantiated by the facts and cannot be sustained except by the high imagination of those who wish to preserve the private ownership of such institutions.

As to the limitation of dividends, I discussed that point a moment ago, but I submit once more, in order to emphasize it, that there is no safeguard here whatever. I wish I were getting six per cent. There is no farmer in my riding who does not wish that he could get six per cent to-day; he would regard it as an extremely handsome return on his investment, and he would be very certain to look after his own private interests if he were receiving such a rate. As a matter of fact a good deal of his public interest to-day is due to the fact that he is not getting six per cent, and I know of no farmers in the west who will approve of this privately owned central bank. But whether the dividend rate be low or not, whether it be six per cent or nothing, the power and the privilege is so great that it is going to be in the interests of the commercial bankers to get control; and those of us who know the rapidity with which the war loan bonds drifted quickly into the hands of the banks since the depression can readily realize how quickly we shall lose any stock we might hold in this privately owned central bank. The proxy limiting provision of the act is in my opinion as excellent a safeguard as could have been provided for a private institution; yet even there, while it is true that a number of individual holders of shares may delegate to the Minister of Finance power to exercise their proxies in a particular direction with regard to a particular policy, I submit that the public are usually so out of touch with national economic and financial conditions that they are not in a position to determine accurately questions of national monetary policy.

I think it was the Prime Minister who the other day suggested that one of the cardinal features of a privately owned institution that commended to him its superiority over a publicly owned bank was the fact that the shareholders' meetings provided such an effective check upon the management of the institution. While my experience has not of course been anything like so broad as the right hon. gentleman's in respect of shareholders' meetings, nevertheless I have been at some and I know this, that any hon. member of the House of Commons can get more information from any minister of any department than the average shareholder can get from the directors of an average company at an annual meeting. I have known private companies that would not even disclose to the shareholders the salaries they were paying their president and vice-president and officials. I know private companies in which the annual shareholders' meeting is a ridiculous farce, a clear railroading of the routine business of the company, under the guidance of the management, as quickly as possible and with the least amount of trouble. So that to suggest that as a strong argument for a privately owned institution is in my opinion quite absurd.

There is just one last point I must touch upon before I conclude. I wonder whether hon. gentlemen have studied the report closely and have observed that in it for the first time in Canada—for the first time within my memory at any rate—an accurate compilation of the total assets and the total liabilities of the Canadian banks was set forth on a given date. So far as I remember, we have never before been able to obtain that information. I find for example that the total assets of the Bank of Montreal are stated in the table to be $761,375,702 and its total liabilities $759,824,543, or an excess of assets of only $1,551,159; yet that bank felt quite free to take up $22,404,000 of the Canadian Pacific Railway loan. I wish I could go into a bank with only such a meagre excess of assets over liabilities and secure anything like a proportionate amount.

Mr. BENNETT: I suppose the hon. gentleman knows that that includes more than $70,000,000 of capital and rest in the liability column.

Mr. GARLAND (Bow River): I give the following figures showing the comparative total assets and total liabilities of each of the chartered banks:

Comparison of total assets, and total liabilities of each chartered bank.

Bank	Total assets	Total liabilities	Excess assets	Share of C.P.R. loan
	(1)	(2)	(3)	(4)
Montreal	$ 761,375,702	$ 759,824,543	$ 1,551,159	$ 22,404,000
Nova Scotia	273,368,244	272,668,632	699,612	5,180,000
Toronto	118,430,178	117,737,176	693,002	2,632,000
Provinciale	45,863,404	45,487,446	375,958	.....
Commerce	570,943,398	568,605,481	2,337,917	10,524,000
Royal	719,471,977	717,653,478	1,818,499	12,280,000
Dominion	124,530,334	124,195,968	334,366	2,808,000
Canadienne Nationale	135,453,649	134,972,748	480,901	1,500,000
Imperial	132,132,986	130,844,789	1,288,197	2,632,000
Barclay's	7,896,046	7,888,926	7,120	.....
Totals	$2,889,465,918	$2,879,879,187	$ 9,586,731	$ 60,000,000

I have wondered, since I read the figures of the excess in the assets of the banks and of the amounts they had taken up of the Canadian Pacific loan, whether it was not because of the position in which the banks found themselves that this government undertook to make a guarantee of the Canadian Pacific loan. This is an interesting matter which should be and, I hope, will be discussed in the house before the end of the session.

In closing I submit that the terrific power to dominate society that rests in the hands of private institutions which have control over the lifeblood of industry, over that without which the exchange of goods cannot take place, over that without which people cannot buy the goods that are produced nor can the goods be produced, that power the control of which permits individuals to determine whether there will or not be employment of our citizens and to determine our international policy in trade matters, should at no time be delegated by responsible parliaments to private individuals. It should be retained for the people and exercised by a publicly owned independent body created by the government and responsible to parliament, and to no other body than that. I am opposed to the passage of this bill which embodies the private ownership principle.

Mr. SPEAKER: The hon. member has spoken for forty minutes.

Mr. GARLAND (Bow River): I am opposed to that principle and I propose to vote against private ownership of a central bank in this dominion.

Mr. WOODSWORTH: Mr. Speaker, will you call it eleven o'clock?

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

Friday, March 9, 1934

The house met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 30, respecting a certain patent of the American Dairy Supply Company—Mr. Anderson (Toronto-High Park).

UNEMPLOYMENT RELIEF

On the orders of the day:

Mr. J. A. DENIS (St. Denis): Mr. Speaker, some weeks ago I asked the Prime Minister to lay on the table of the house correspondence between him and Mr. George C. Vaudrin. I should like to know if the right hon. gentleman has that information.

Right Hon. R. B. BENNETT (Prime Minister): I understand they did not find any correspondence in the office, but I shall have it looked into again. I personally have no recollection of it, but there is a very large body of correspondence and I shall have another search made for it.

CAIRO POSTAL CONGRESS

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Whereas, on February 27, at page

979 of Hansard in answer to a question about the Cairo postal congress the Prime Minister said:

> Wherever the Postmaster General may be I am sure that upon his return he will satisfy the very laudable curiosity of the hon. gentleman.

and whereas on March 8, at page 1434 of Hansard, under the heading "Adjournment—Business of the House" the Prime Minister said:

> Mines and immigration were opened and agriculture was opened. There are post office, interior and fisheries. Whichever is most acceptable and best suited to the convenience of the opposition we shall take.

therefore may I ask, sir, if it is the intention of the government to have the post office estimates passed before the return of the Postmaster General, and if that is the reason why the Postmaster General has been playing hide and seek in three continents, namely, Asia, Africa and Europe?

CANADIAN NATIONAL RAILWAYS

RUMOURED ABANDONMENT OF LINE BETWEEN HOPE AND VANCOUVER

On the orders of the day:

Mr. THOMAS REID (New Westminster): Mr. Speaker, I should like to ask a question of the Minister of Railways and Canals. A report has reached me from British Columbia to the effect that abandonment of the main line of the Canadian National railway from Hope west to Vancouver has been under consideration. I should like to ask if the minister has any information in that connection, or if the statement is correct?

Hon. R. J. MANION (Minister of Railways and Canals): I have never heard of it before, so I really know nothing about it.

COMPLETION OF LINES

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, I have a question to ask of the genial Minister of Railways and Canals.

Some hon. MEMBERS: Oh, oh.

Mr. McINTOSH: Surely you do not wish me to modify my question, do you? May I say I have a letter from a leading business man in North Battleford to the effect that a statement was current throughout the district that the railway from Frenchman's Butte to Elk Point in Alberta, and from St. Walburg north to Edmonton, will be completed this summer. May I ask the minister if he is in a position to make a statement to parliament in connection with these two important northwestern lines?

Hon. R. J. MANION (Minister of Railways and Canals): We will not know anything about the plans of the Canadian National railways until their estimates are before the house. In the near future their estimates will be before us and we will know more about it then. Up to the present, however, I know nothing about their suggested plans concerning the completion of lines in the west.

BANK OF CANADA

The house resumed from Thursday, March 8, consideration of the motion of Hon. Mr. Rhodes for the second reading of Bill No. 19, to incorporate the Bank of Canada.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): "Are we in danger of Fascism in Canada?" is a question sometimes asked among the workers. Thinking in terms of brown shirts, parades and salutes I would say no, but when I come to a measure of this kind I am rather doubtful. In the days of the Romans we are told it was their practice to erect two upright spears, then place one transversely upon them and force their conquered enemies to pass under the spears, sub jugum—under the yoke—and usually a heavy tribute was exacted from the conquered enemies. It would seem to me that in the bill now before us we are arranging for the people of Canada to pass under the yoke, and if the bill is passed they must expect to pay a heavy tribute in the years to come.

For years we have had in this country a financial dictatorship but it has been somewhat concealed. By this legislation, instead of challenging that dictatorship, we are in reality legalizing and stabilizing it. The Finance minister warns us against any possible delay in giving the people the benefits of a central bank. I would say that the people have waited for some years for a central bank, and I think they can afford to wait a little longer rather than that we should saddle this country with what I regard as a private tyranny.

The bill provides for the creation of a private central bank. The amendment which we moved from this corner would seek to alter that so as to make the bank a public bank, but that amendment has been ruled out of order. Under those circumstances I think I must join with my hon. friend from Bow River (Mr. Garland) and take the position that the only course for us is to vote against

this bill. I cannot see how we can possibly separate the bill from its contents. The main principle of the bill is that the bank shall be a privately owned institution. That is the proposal which comes before us. Could we have altered that to a publicy owned bank I would gladly have voted for the bill.

Let me point out that we do not object to a commission or board with wide powers, but we do object to the setting up of a body independent of and superior to the authority of parliament. I must quote again the statement of the Finance minister in reply to a question by my colleague from Wetaskiwin (Mr. Irvine) because I do not think it can be broadcast too widely. He asked:

> Supposing the central bank was endeavouring to regulate the control of credit in Canada, and supposing the policy it adopted in order to do so was contrary to the policy of the government of the day and they clashed, which official would make the decision?

The answer of the Finance minister was:

> Unquestionably the authority of the governor and the board of directors of the bank would prevail.

Here we have the unequivocal statement that we are at the moment being asked to erect a body whose decision would be superior to that of the government. It is an abdication of the powers of parliament. The Finance minister in order to try to justify his position is driven to the most specious reasoning. He refers to the board of railway commissioners. I submit that there is no such sovereign power given to the board of railway commissioners. It is true that they are free from everyday interference in the carrying on of their work, as undoubtedly this bank should be, but still the great railway policies of this country are decided, not by the board of railway commissioners, but by this parliament. I recall that a few years ago, even with regard to a specific matter, that of the Crowsnest pass agreement, this parliament overrode the decision of the railway commission, and last year the special railway legislation which was passed surely indicated the supreme power of this parliament.

The Finance minister also referred to the tariff board, but again I point out that there is no sovereign authority in the tariff board. The tariff board does not override the decisions of this house. It may perform a valuable function, but still its reports go to the government. The government assumes responsibility, and we ratify or reject the measures that are in consequence brought down.

Mr. BENNETT: Would it interfere with the hon. gentleman if I asked him a question?

Mr. WOODSWORTH: Certainly not.

Mr. BENNETT: The hon. gentleman must realize that what he has just said negatives his argument because is it not parliament that is supreme and will continue to be supreme in the case he has just mentioned? And it will similarly be supreme over the decisions of the bank.

Mr. WOODSWORTH: Then may I point out that the Finance minister is at variance with the Prime Minister.

Mr. BENNETT: Oh, no. We are at one.

Mr. WOODSWORTH: Because the Finance minister said that if there was a clash the will of the bank should prevail.

Mr. BENNETT: With the government, not with parliament.

Mr. WOODSWORTH: There may be a distinction there, but I doubt it very much. But I am glad that the Prime Minister is now being converted to the idea that parliament, rather than the government, should be supreme. It is a new doctrine from him, very new, for all along he has taken the ground that it was the government that assumed supreme responsibility, and we know that only in the most indirect fashion indeed has this government thought that it had to come to parliament. I think that that reasoning does not carry us very far.

The Finance minister also refers to the civil service commission, and suggests that it too is free from interference. Well, if I may venture on a colloquialism, it is to laugh, for anyone who knows the pressure that has been exerted from day to day on the civil service commission and the large number of reservations that are constantly being made of positions that are not to be filled by the commission will understand how little real independence has been exercised either under this government or the governmnt that preceded it, by the civil service commission. If the bank was to be as subject to as much interference as the civil service commission the situation would indeed be a difficult one. No one would suggest that it be subjected to interference as is the civil service commission. At the same time I say that it would be an impossible situation if the authority of the governor of the bank were to be superior to that of the government of this country.

It is true that the powers of parliament are being curtailed. The decisions of the Imperial conference have the effect of practically taking over taxing powers. Again. in connection with our estimates we have large blocks of

expenditures which we commonly call uncontrollable expenditures. A recent bulletin of the Citizen's Research Institute states:

> Including the interest paid by the dominion on guaranteed railway bonds, the total debt service cost $193,894,024, or $3,700,000 per week. This item alone cost $18.45 per capita, or 63 per cent of the gross revenue.

That is, 63 per cent of our gross revenue under present conditions does not come within the control of this parliament but automatically goes to the debt service.

By this bill we place under private ownership and control the issuance of currency, always regarded as the prerogative of the crown, and secondly the control of price levels, which is most important to the whole financial and economic life of this country. I should like to ask where is the leader of His Majesty's opposition at this time. He likes to boast that his grandfather helped to secure responsible government in Canada, but now it would seem that he himself acquiesces in the great betrayal, for such I think it will be considered in the years to come. We are taking away truly responsible government in this country in one of the most important spheres in which government should have control.

Mr. IRVINE: The right hon. gentleman has not yet decided whether to do one thing or the other.

Mr. WOODSWORTH: While the discussion was going on last night there lay on my table the evening newspaper in which appeared a fine photograph of the Prime Minister (Mr. Bennett) and the leader of the opposition (Mr. Mackenzie King) arm in arm. It is delightful to know that they do find it possible to avoid political differences.

Mr. DUPUIS: If the hon. member were there, would he have refused to be photographed?

Mr. WOODSWORTH: It is very delightful to see these two gentlemen together and it would seem to be somewhat symbolical. In dealing with this bill we are now finding that in the realm of financial affairs as well as in connection with a centennial celebration these two gentlemen can walk hand in hand.

Mr. BENNETT: While the lamp holds out to burn, the vilest sinner may return.

An hon. MEMBER: Who is the sinner?

Mr. WOODSWORTH: An hon. gentleman behind me asks the Prime Minister to tell who is the sinner.

The Minister of Finance (Mr. Rhodes) would have us follow the lead of countries which have privately owned banks. He mentioned the Reichsbank, but I would point out that under the Dawes scheme this bank was reconstituted as a private institution. While that was so in 1924, to-day the government has a very large measure of control. Under the Dawes scheme the Reichsbank was set up in such a way as to secure the payment of reparations from Germany. Germany was a defeated nation and was bound to pay tribute to the allies, and our Minister of Finance suggests that we should organize our bank along the lines of the reorganization of the Reichsbank immediately after the war. Not a very high ideal for Canada! Further than that, he speaks of the central banks in the smaller European countries. I would point out that those banks were set up by the international bankers in order that the money lenders of Europe should be secured and in order that the local governments would not be tempted to give the welfare of their own people priority over the repayment of loans made by these international money lenders. That was the real position and yet, forsooth, the Minister of Finance thinks that Canada should follow the lead of the smaller nations of Europe in the setting up of her central bank. He said very little about the central bank of France. Although that institution is under private ownership, in reality the governor is appointed by the state and there is a very decided exercise of control by the treasury. The Minister of Finance could not deny that there is a central bank in Australia, but he sought to disparage that organization by saying it had been set up in the first instance as a commercial bank by a Labour government and had only more recently been acting as a central bank, therefore the time was too short to judge of its permanent success. Our point is that it has succeeded so far. I would rather follow the lead of one of our sister colonies than that of the countries of Europe where the organization of central banks was such as to make sure that the international money lenders would get their own back with interest.

There are some lessons which could have been learned from the United States. It is true that the federal reserve system of that country is not a fully public institution, but there is a good deal of public control. During the banking crisis of last year there was set up a universal system of supervision and control which shows that even in the United States, supposed to be the headquarters of capitalism, they have reached the stage where it is found essential that the government should control financial operations.

We all recognize that this bank is being modelled more or less on the Bank of England. I submit that as there is now in England a very strong agitation for the nationalization of the Bank of England we might hesitate in setting up a bank on the model of one that has proved to be anything but satisfactory even in England. The Minister of Finance suggested that politicians were human and therefore, he was afraid that they could not resist pressure which might be put upon them. I interjected by saying that I thought the bankers were also human and that it seemed to me that the pressure which would be put upon the bankers by their own personal interests and those of the class which they represent might be just as strong as any pressure put upon politicians by the public at large. It is often sought to give the impression that after all bankers are rather superior to mundane considerations, that they are ultra patriotic. I was interested recently in reading a study of the times of Napoleon in a book entitled "Monarchy or Money Power" by R. McNair Wilson. I should like to read one paragraph to the house as follows:

How often have governments come to the rescue of the financial system only to be told later that they have been playing the prodigal and living beyond their means!

Napoleon had the satisfaction of exposing the patriotism of money to the world and of revealing to what a great extent the English cabinet was able to be influenced by the city of London. He was to pay dearly and soon for his pleasure. There was no more agitation against the issue of notes while the war lasted. On the contrary, every available ounce of gold was invested in the armies of Russia, Prussia, and Austria, paper promises by these countries to pay being accepted in London at very severe rates of discount. The bankers won. Louis XVIII was restored by British arms and British diplomacy to the throne of his ancestors. Loans were placed at his disposal, though Napoleon had left a France which enjoyed a credit balance.

A year later the man whom every king and every banker in Europe called "usurper" won back his throne with 800 men and without the firing of a single shot. On this occasion he had no option but to raise a loan for the defence of France. The city of London accommodated him with £5,000,000. With this sum he equipped the army which Wellington defeated at Waterloo.

A rather surprising statement but one which will be found to be verified by Gourgaud. That is the kind of patriotism to be found among the bankers. We all know that the money lenders are international in their point of view but they are also powerful in purely national affairs. I should like to quote the statement made by Mr. Ramsay MacDonald in his book Socialism, Critical and Constructive published in 1924. He said:

One can stand at a point in the city of London and be within a stone's throw of a handful of banks and financial agencies which by an agreement come to quite legally, though perhaps in defiance of the intention of law or government decree, would influence materially in a very short time the business operation of the country.

Nor is the growing importance of American finance in international trade an assuring event. One of the things that can be assumed as a certain consequence of the war is that finance is to hold a more important grip on international industry than hitherto, and that in their own interests communities must protect themselves so far as possible against an imperious international financial trust.

And again:

If international finance is to fight within itself, the battle is to strew the world with industrial debris; if it is to combine the slavery of labour, both in its aspects of toil and of management, is inevitable, and the politics of the world will become the will of finance. For finance can command the sluices of every stream that turn the wheels of industry, and can put fetters upon the feet of every government that is in existence.

Those who control finance can paralyze the nation, can make it drunk, can keep it normal. And in all their transactions their own interests are put first.

Let me emphasize that their own interests are put first. He continues:

Of course, these interests are involved in the general interest. They cannot flourish in a dead economic state.

But they fix exchanges, bank rates, capital values, they can tighten or loosen the purse strings of governments and manufacturers, they control the means upon which the political and industrial state depends for its existence. If a Labour government came into power they could starve it. A financiers' counter revolution would be more effective than a soldiers' one.

Mr. Ramsay MacDonald seems to have been gifted with powers of prophecy in that passage.

An hon. MEMBER: What year was that?

Mr. WOODSWORTH: In 1924; and that is precisely what happened to himself and his own government. Apparently, with his eyes wide open to the exact situation, he allowed himself to be duped a few years later and the bankers again won. Now we are proposing in this legislation to set up a domination of bankers or of a banker who will be able to defy the government that is in power. That is the actual situation. Further behind that banker would be the international bankers.

I agree with the minister that a central bank is a natural and inevitable development of our financial system. The chartered banks are essentially commercial banks, but their

functions have been gradually extended until they have not only become deposit banks, taking in the savings of the people and on the basis of this providing for short term loans—and I may point out that they have gone on the basis of a ratio of ten to one—but in addition to that, through the provisions of the Bank Act and because of the lack of adequate machinery to put into operation the provisions of the Finance Act, these commercial banks have in practice been banks of issue. They have influenced price levels and, further, they have exercised an influence on foreign exchange matters and have been the government's own bankers. One might have thought that was sufficiently wide scope, but in more recent years they have entered the field of investment banking, either directly, taking up certain issues, or more generally indirectly through the means of the interlocking directorates of which we heard the other day. In addition to that they have been expected to supply agricultural credit. This has been done through the extension of short term credits by arrangements that have proved ruinous to the farmers and have left them without the power of securing further loans, even short term loans, from the banks.

This central bank legislation proposes to take over at least four of these functions I have enumerated. The central bank is to become a bank of issue. Its obligation will be to control price levels, and it will arrange foreign exchange matters and act as the government's bank. This, I suppose, is not the place to discuss the need for control over the distribution of credit; but that would still be quite untouched by the proposed central bank. I would point out that banking is the key industry which affects all others; no industry can be carried on without adequate supplies of credit. Banks alone, under modern conditions, are able to supply these credits, and they cannot only make credit in general cheap or dear, scarce or abundant, but they can also direct credit to one industry or firm rather than to another, and so prevent industrial expansion in this or that field. In our judgment, credit is of the nature of a public utility and should be publicly controlled.

This is not the place either for me to discuss the need for adequate agricultural credit, but I would point out in passing that this should enter into any general scheme of Canadian financial reorganization.

Again this is not the place I suppose to discuss the need for a national investment board, but I would point out that neither the proposed revision of the Bank Act nor this bill which we have under consideration to-day provides for such a board. If the principle of the nationalization of insurance, which was advanced from this corner the other day, could be adopted, we should have abundant funds available for investment purposes. To-day these funds are all gathered up and put in the hands of private institutions for investment. If national insurance were carried into effect all these funds would be gathered up and made available for an investment board to put into such enterprises as were socially of value.

So far as I can see, the main objection to a publicly-owned bank seems to be that it would be subject to political pressure if indeed it would not leave the way open for political corruption. It does seem to me that if we adopt that attitude the statement of my hon. friend from Wetaskiwin (Mr. Irvine) becomes true and we simply recognize that parliament to-day has ceased to be of value to the people. The argument goes altogether too far. If we are not able to govern in the sphere of finance we are not able to govern in lesser spheres, and if we do not govern finance, then it is only a question of time until government in other spheres becomes a veritable farce. I should rather like to think that by means of added responsibility we should gradually come to a higher conception of government. As J. A. Hobson said some time ago:

> May not the conception of public control as a junto of officials and politicians, slowly grinding their own axes, be displaced by a more intelligent conception of a really representative control in which the various factors comprising the public interest shall be duly represented under a system removed from immediate political or class pressures?

If there are objections on the ground of possible dangers under a publicly-owned bank, it seems to me that there are also decided objections to, and inevitable dangers in a privately-owned institution. Undoubtedly class interests would prevail; only fairly well to do people could own stock; and, as was pointed out last night by the hon. member for Bow River (Mr. Garland), this means, as in ordinary companies, that the control would not be widespread but would rather be concentrated in a few hands, ultimately in the hands probably of one person. This was very well expressed in a short paragraph I was reading the other day in a book by John Strachey:

> It is quite true that claims to a participation in the profits of the great modern centralized and concentrated enterprises are now, by means of the sale of shares, quite widely distributed amongst members of the property-

owning class. But it is very naive to suppose that this constitutes any diffusion of effective ownership or control. A small shareholder, or indeed the whole body of small shareholders collectively, in a great modern company, have about as much control over it as they have over the Grand Ilama of Tibet. They take what dividends the directors, who own the controlling blocks of shares, like to pay them, and read, devoutly, the financial columns of their newspapers, where city editors tell them what the big capitalists want them to think.

That is about what would happen in the case of a national bank if it were organized on the basis proposed in this bill.

While I cannot go quite so far as my colleague the hon. member for Macleod (Mr. Coote) that the main cause of poverty in the midst of plenty is the money question, undoubtedly that question is of prime importance. May I ask: Can we look to such a bank as that which it is proposed to set up, to make any radical changes in the money system? I hold in my hands an article by Mr. A. de V. Leigh entitled Realities and Make-Belief published on March 25, 1933, in the Times Trade and Engineering Supplement from which I quote the following:

> The experts are like squirrels, able to crack nuts—however hard these may be—with the greatest skill and cleverness, but being, so far as progression is concerned, circumscribed by their cages, they can only run round and round in circles. They recognize that what is necessary is to put more tokens into the pockets of consumers, but these tokens can be obtained only by being borrowed at interest. This implies repayment of more than has been put in, so that they are once more back at the point of only being able to recommend more debt to cure a system which is breaking down on account of too much debt.

I would point out that if it becomes necessary to change the money system, it is extremely difficult to have this done by a bank that is to a large extent removed from the pressure of public opinion and that also by its very constitution is in the hands of those who are interested not only in maintaining the status quo but also in seeing that their own immediate financial investments are protected. The bank must make money and one cannot read the reports of the Bank of England without realizing that that bank is not altogether indifferent to the dividends paid to its shareholders. Further, suppose by any chance the time might come in this country when the people generally think, in order to relieve themselves of the burden of debt, some sort of reflationary process is necessary. Would a privately owned bank agree to anything of this kind? I cannot think that is possible. A privately owned bank is in the hands of people who would undoubtedly lose money by such a process.

Some years ago France got rid of the greater part of her public debt by a process commonly called inflation when the franc was reduced from 20 cents to 4 cents. I wonder whether that would be possible if we had a privately owned bank in this country, in which not only the stock was owned by private individuals but the management was under the control of a governor not responsible to the dominion government. Again may I read a paragraph from a very interesting book called What Everybody Wants to Know About Money, edited by G. D. H. Cole. I think he puts the whole situation very clearly:

> More than once it has become plain that the only real alternative to government control of the banking system has been, not the separation of the financial and political powers, but rather the control of the political by the financial authority. The British Labour government of 1931 is by no means the only government that has been brought down since the war by the action of the financial world. For example, the same fate overtook the short-lived socialist government of Norway, and bankers' pressure upon governments has been a familiar feature of the world's history during the past dozen years. It is no easier for banks and governments to separate their spheres of jurisdiction to-day than it was in medieval Europe for pope and emperor to live side by side without clashings of authority.
>
> In these circumstances the question appears nowadays to many people to be not whether bankers ought to be allowed to carry on their own business without public interference, but whether governments or banks are to have the last word in matters in which they are both inevitably concerned.

That is a clear statement of the issue before us to-day. The Minister of Finance (Mr. Rhodes) has stated very distinctly that when there is a clash, the bankers are to have the last word. We in this corner—and I hope we shall be joined by at least some members of the Liberal party—would like to provide that when there is a clash, the government must have the last word because in the long run the government is responsible to the people. Such a bank would be quite removed from contact with the ordinary rank and file of the people; its governor would not be required to present himself for election nor to keep in touch with nor to be guided by the will of the people. If we have reached that stage, it is about time we give up even the semblance of democracy. Surely the people themselves have the right to decide. Whilst we talk about the danger of political influence, we must remember that if we have no political influence we are thereby giving up the very essence, the very foundation of democracy. It may very well be that sometimes democracy may make mistakes in its decisions, but that is the only way in which

higher levels can be attained. We believe the ultimate control of policy should rest with government, but detailed administration should be left to the appointed board; that governments should have the right to appoint and dismiss members of the board; that there should be a minister of state responsible for answering in parliament for the affairs of the board, but that parliamentary discussions of financial matters should be confined to questions of policy and not matters of detail.

We find a very fine example of this in the arrangements connected with the British Broadcasting Corporation which is a separate corporation, if you like, but the control of which finally is with the government. There is to a certain extent a similar arrangement in Great Britain under the Central Electricity Board. I cannot see why some such arrangement cannot be adopted in this country whereby we may have a board having under its control this bank and directing its administration but in its general policies subject to the government and to parliament.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, I would not think of taking up the time of the house at this stage were it not for the fact that the bill at present under discussion is in my opinion probably the most important measure we have had before us this session. The difference among various members with regard to this bill is whether it is wise to make the bank publicly owned and controlled or whether it should be privately owned and controlled. First of all I want to congratulate the government on some very constructive work they have done in the drafting of this bill. They have gone a long way; they have met the wishes not only of this corner of the house but, I believe, of the people in general, in regard to many clauses of the bill. If for instance it were a publicly owned and controlled bank that they were setting up the following features I think are requisite to satisfy the public demand. First, if we are going to recognize gold as being of value as a monetary base then I think it is absolutely necessary that the country should have a monopoly of the gold; and that is planned for. Second, it is equally important that it should have monopoly control of the note issue. That also is arranged for. Third, there should be some control over the private or commercial banks with regard to the amount of money they make available by the supply or withdrawal of money and credit in accordance with the public welfare. That also is arranged for. Fourth, arrangements should be made to regulate credit; that is taken care of in the bill. Fifth, there should be an effort made to regulate as far as possible foreign exchange; that also has been looked after. Sixth, I think it is desirable that the central bank should be the fiscal agent of both the federal and provincial governments, so far as they see fit. If therefore, it had been arranged to make this a publicly owned and controlled bank I think all those features are quite in order and in accordance with public demand. At page 98 of the appendix to the report of the Macmillan commission, I find this statement:

> It is not necessary for a central bank to have capital larger than is required to provide for its initial expenses, office buildings, etc.

So the Macmillan commission recognized that a comparatively small capital outlay is needed to start this bank. That being the case, and as we are continually voting in this house very much larger amounts of money than would be required for the capital setup of this bank for public works and for one purpose and another, it seems to me a very simple matter for the government itself to bear that expense. Under the bill presented to us it is provided that the capital shall be subscribed by shareholders. Even with the limited amount of capital required it would be possible to have no less than 30,000 shareholders. It seems to me unlikely that so many shareholders, spread from one end of this dominion to the other, although having the interest of shareholders in the bank, can in any effective way control the election and choice of the important officials needed for the conduct of the bank. Obviously they would be less qualified by knowledge and ability to choose such officers than would members of the government acting for parliament who would not only have considerable information themselves, but would have the right to call in advice from any quarter of this dominion.

I congratulate the drawers of the bill on the effort they have made to avoid any relationship between the commercial banks of this country and the so-called Bank of Canada which would lead to commercial bank control, but I have not seen in the bill now before the house any provision to divorce the trust companies from that relationship, although several of such companies are very closely connected through interlocking directorates with the banking fraternity. It seems to me most important that that feature should be taken care of, because as the hon. member for Wetaskiwin (Mr. Irvine) said last night, it would be very unlikely that if the banking fraternity wanted to get control of this central bank through the control of shares

they would not find ways and means of doing so, unless we take particular care with respect to the trust companies with which they are so closely affiliated.

I was interested to observe that in section 20 (j) of the bill provision is made for the provinces to be financed to a certain extent by this central bank. This provision meets a wish expressed by me in presenting a bill two years ago to this house asking that the same privilege should be given to the provinces of this dominion as is enjoyed by the private banks of the country of obtaining advances on certain securities deposited with the treasury board. My bill was turned down at the time, but that feature is taken care of by this section. I am very glad to see this recognition of that need.

The position that we are going to find ourselves in in regard to this bank it seems to me is that the government of the day will be dictated to by the shareholders. I know that the Finance minister in his very able speech yesterday tried to show that certain safeguards are provided against that. The minister was very explicit in his reply to the question asked him the other day by the hon. member for Wetaskiwin, when he said that unquestionably the authority of the governor and board of directors would prevail. I noticed that the minister said at the same time that parliament is always supreme. I would like to believe that parliament really has that supremacy, but when all is said and done, under our parliamentary setup what the cabinet says is usually accepted by those supporting them, and as they have a majority in the house it is a question whether parliament as a whole has much power if the cabinet has made up its mind.

One argument advanced by the Finance minister yesterday and which he stressed at some length, as to why this should not be a government-owned bank, was in regard to political appointments, and the likelihood of patronage creeping in and resulting in inefficient management. He dwelt at some length upon that point, yet I think that part of his argument was probably its weakest part. For instance if appointments made by the government of the day of officials of the central bank are to turn out bad, how is it that the government of the country through the civil service has on the whole carried on so well up to the present time? I have only to refer to the various commissions that are appointed, not by the civil service commission but directly by the cabinet, such as the grain commission, the railway commission, the tariff commission, and the judges throughout the country and the legal advisers; on the whole very good service has been given; they do not fall by the wayside simply because they were appointed by the government of the day. Last but not least I would like to refer to that class of officials which I mentioned yesterday, the deputy ministers. Without mentioning any by name, which would be very unfair, I do not think there are among them any that you might term "weak sisters." On the whole we have a very fine body of deputy ministers in this country. They have been appointed by different governments of the day, and the result has been very good indeed. If the government of Canada can make a success of appointing a deputy minister, why should they not be in a position to appoint governors, deputy governors and directors of a bank which is going to be the Bank of Canada?

It has already been said that the subject of a central bank has, for some years past, been discussed in this House of Commons. Probably hon. members in this part of the chamber do not take any credit for having raised the matter before other groups raised it, for it may be that we are a little closer to the people who have been asking for the setting up of something such as we are now considering. Although the Prime Minister only two years ago rather discounted the idea of a central bank for some years to come, we find that after visiting London he made great haste. I have often wondered why it was he became so active in connection with the formation of a central bank, and why he acted on such short notice. Was it because of pressure or influence brought to bear upon him in London? Why is it that only within recent months he has made up his mind to bring about the formation of a central bank which at one time he thought would not come into operation for many years? Was it because he was able to get a loan from London about that time of some £15,000,000 at four per cent? Why, we may ask, did we have to pay four per cent when only a year or two previously we ourselves had financed a loan of some $35,000,000 at one per cent? When I say we did it at one per cent I mean that that was the difference between what we charged the banks for an issue of dominion notes and what the banks charged us for the bookkeeping they were doing for the federal government. When we recognize that a loan was made from London at that time, the first which had come from that source for many years; when we recognize that one of the members of the commission which travelled across Canada

was no less a man than Sir Charles Addis who at one time was connected, if not now, with the Bank of International Settlements; when we recognize, as was mentioned by the hon. member for Bow River (Mr. Garland) that two officials of the Bank of England travelled across Canada with the commission, the presence of whom was not advertised, are we to take it for granted that there was some pressure exerted in connection with the setting up of a central bank which would have the effect of bringing it under the influence of the Bank of England? While on the one hand I must congratulate the government of the day upon doing all they can to guard against private bank control of the central bank, on the other hand, there seems to be a real danger, and one which I believe we have overlooked, of a possible disadvantageous influence from outside banks such as the Bank of England or the Bank of International Settlements over the Bank of Canada. There does not seem to be a realization of the influence such a condition may have upon the whole country.

Mr. RHODES: May I ask the hon. member a question? In view of what he has said, how does he justify his action last year in voting to tie the dollar to the pound sterling?

Mr. SPENCER: That is not entirely in line with the argument I am placing before hon. members at the present time. At particular times it may be worth while to tie the dollar to the pound sterling. But what I am trying to emphasize is this, that Canada should be mistress of her own house. The market to which we should pay most attention is the market within Canada. Our first aim should be to see that our people, with their great possibilities for production of goods and services, should be able to take full advantage of them. Our people can take full advantage of those possibilities if we have a financial system which at all times will enable them to have sufficient purchasing power, so that they may be enabled to make those exchanges. And if, as has been done in the past, we find ourselves in the position where on the one hand we have an abundance of goods and services while on the other we have an increasing number of people who are not only unemployed but under employed, and therefore not in a position to make those purchases, or in a position to take the fullest advantage of our great powers of production and services, we invite inevitable chaos. The fear I have therefore, is of adverse effects upon our whole financial system brought about by outside influence.

[Mr. Spencer.]

Last night the hon. member for Bow River placed on record some figures with respect to the total assets and liabilities of Canadian banks. He took the liabilities from the assets and showed in each case the balance in favour of the banks. Then he went on to show how much of what is now known as the C.P.R. loan of $60,000,000, was taken up by each of those banks. Without taking up the time of the house by repeating the figures I should like to make some observations in this connection. One big bank in Canada which had an excess of assets over liabilities of $1,551,159 took a share of the C.P.R. loan equal to $22,404,000. Another one with a balance of assets over liabilities amounting to $699,612 made a loan of $5,180,000. A third one with assets over liabilities amounting to $1,818,499 made a loan of $12,280,000. One may wonder how this was done, but the explanation is very simple. The situation shows, first of all, that the banks did not loan other people's deposits, because in each of these cases they loaned from six to ten times the total amount of the balance between their assets and their liabilities. As the Prime Minister quite properly pointed out, it shows that the security was put up by the company in question, backed, by the way, by the guarantee of the dominion government. What was it that enabled the banks to write into existence this $60,000,000? It was the security put up by the railway company, in the first instance, supported by the guarantee of the federal government. Therefore the transaction is based entirely on the assets and on the credit first of the railway company and secondly on the credit of the nation. It is because the banking fraternity have taken the privilege, and have been allowed to write credits into existence to any amount that they could get away with, and because such action is permitted, that we take the stand, that such an important function should be under much more drastic government control. When we face the possibility of having a government bank, a Bank of Canada, we feel that such an institution should be entirely under governmental control and not in private hands. Although there have been certain safeguards allowed—and we sincerely hope those safeguards will prove effective—at the same time there is no guarantee that they will be effective. We in this section of the house fear that the safeguards will not be strong enough, and that ultimately the institution will come under complete private control.

The present Secretary of State (Mr. Cahan) one of the ablest members in this house, and as we know, an authority on financial matters,

when speaking in Toronto last year made two outstanding statements. The first was:

> Bank deposits consist largely of credit money which has been created by the banks.

I have just outlined that that was done with regard to the Canadian Pacific loan. The second statement was:

> The cheque system enables the banks to create credit money at will.

Of course, that is along similar lines. It is clear that, first, the creation and control of credit money is part of the crown's prerogative. Secondly, that prerogative is created for the benefit of the people and cannot be exercised to their prejudice. Thirdly, that prerogative has not been parted with, and cannot be parted with except by statute. Fourthly, the exercise of this power by any private corporation is without legal warrant, and consequently is illegal, differing in degree only and not in kind from the art of the counterfeiter. Fifthly, it is not in the interest of the state to renounce its sovereignty. It is because of these considerations that we lay so much stress upon parliament not giving up its control of the creation of credit and of money matters in general because through the control of private interests whose main incentive is profit, and who favour certain businesses with which the banks are connected by interlocking directorates, these great functions have not been always and may not be exercised in the interests of the state.

Our real problem, Mr. Speaker, it seems to me is one of purchasing power. In purchasing power can be found the key to various problems that we have confronting us at this time. It is the key, for instance, to the unemployment problem. It is the key to the underemployment problem. It is the key to the undernourishment problem, because we know full well that if this country with its vast riches of goods and everything that is required in the matter of food, clothing and shelter made proper use of its powers of production, plus its powers of distribution, there need not be anyone undernourished. Again, it is the key to the glut of commodities, because if we had proper means of transferring the many commodities that we make to the people who want them there should be no glut. Any surplus there might be would be very small indeed. Purchasing power is the key also to the stagnation of our trade. Some people think that trading must be done first before you can obtain money, but you must have money in some form before you can trade. If those who control money simply decided to take it out of existence by cancellation of loans, which can be done so easily under our financial system, it would at once put a crimp into our trade and would make trading impossible except by way of barter.

Lastly, the lack of purchasing power is in no small degree responsible for our difficulties with regard to taxation. A large proportion of our people are not in a position to pay their taxes. Further, when I remind this house that the total amount of income tax that is paid annually in this country is paid by less than three per cent of the population, in other words that 97 per cent of our people have not a sufficient income upon which to pay income tax, I think it will be recognized by everybody that something is wrong with our financial system.

In closing, I should like to put on record the reasons for the lag in purchasing power. I quote from the New English Weekly, a well known English paper:

> So much misunderstanding, misrepresentation and misinterpretation has lately overlaid the discussion whether industry distributes a deficiency of purchasing that it is necessary for us categorically to restate the causes of the obvious deficiency. The passage from Major Douglas' "The New and the Old Economics," and our columns are open to any Goliath of economics to show us where we are wrong.
>
> Categorically there are at least the following five causes of a deficiency of purchasing power as compared with the collective prices of goods on sale:
>
> (1) Money profits collected from the public (interest is profit on an intangible).
>
> (2) Savings, i.e. mere abstention from buying.

Everyone must recognize that to the extent that savings are not used to buy goods or services or loaned to others to buy goods there must be an equivalent amount of goods and services idle. It goes on:

> (3) Investment of savings in new works which create a new cost without fresh purchasing power.
>
> (4) Difference in circuit velocity between cost liquidation and price creation, which results in charges being carried over into prices from a previous cost-accounting cycle. Practically all plant charges are of this nature, and all payments for material brought in from a previous wage-cycle are of the same nature.
>
> (5) Deflation, i.e. sale of securities by banks and recall of loans.

With regard to the last-mentioned cause of the lag in purchasing power, we are giving to the central bank known as the Bank of Canada the power of inflation and deflation within proper limits, also the sale and purchase of securities, the making of loans to the federal and provincial governments and to banks, and the recalling of those loans. If the strings which the government are providing in this

act in order to make the bank function as a semi-government bank are sound and strong, well and good; but we are afraid that they may not be strong enough to take care of the interests of the public. It is for that reason that we criticize severely the setting up of this Bank of Canada and turning it over to the control of private shareholders, who, through the manipulation of share control in the years to come, may bring the bank under the control of a few people, just as we find the shares of our private banks to-day in the hands of a few. If that takes place, not only shall we have lost one of the greatest opportunities that we have ever had of placing this country in a position to start out on a new era of prosperity, with a new and better standard of living, but we shall find ourselves in an infinitely worse position than we are in to-day.

Mr. W. T. LUCAS (Camrose): Mr. Speaker, in introducing the resolution on which the present bill is founded, the hon. Minister of Finance (Mr. Rhodes) made the following statement, which will be found at page 824 of Hansard:

> The bill which is founded upon this resolution is one of unusual importance and significance.

That is a statement upon which I think all parties in the house are agreed. The Finance minister went on to say:

> It marks an advanced stage in our economic and financial development as a nation. The proposed central bank should not, I submit, be regarded as a break with the past; we are not departing from the system which was served us so well. Rather the central bank should be regarded as another stage in the natural evolution of our banking system.

I feel sure, Mr. Speaker, that that is tantamount to saying to the Canadian people that the evolution will be so gradual that they need not expect to see any change come from the establishment of this central bank. I was sorry to hear the minister make the statement that we should not expect any break with the past. I believe when the great war ended there was a distinct cleavage with the past. As the soldier was demobilized and fumigated, he left off his old uniform, put on a new suit of clothes and went out to face a new world. While it may have taken ten or eleven years to recognize this fact, I think that what occurred during the great collapse of 1929 and the four years of depression which followed has brought home to us the realization that we must face the future with an entirely new outlook and that we can never go back to pre-war day conditions. The minister stated that this proposed legislation marked an advanced stage in the economic and financial development of the nation. We have been told that thirty-six nations already have central banks, most of them privately owned. Will any hon. member say that any of those nations with privately owned central banks were outstanding in preventing unemployment or easing the situation through the great depression? It seems to me that we are simply placing ourselves in the same position as those nations which accepted central banks some years ago, and therefore adding to the danger of a world domination of banking policy.

Realizing the importance of this question, earlier in the session I introduced a resolution asking for a national system of credit and finance to be controlled in the interests of all the people. My object in doing so was to bring on a discussion of this very important question before any banking legislation was brought down. I sought to have the government fully advised of the views of the members of the house before committing themselves to any definite legislation. I was told that as my resolution anticipated legislation to be brought down, the time was not opportune for the carrying on of such a discussion. We now find that both the old parties feel that the second reading of the bill is not the proper time to discuss this question. Not long ago an eminent professor in the United States stated that there were only sixteen men in the world who understood anything about finance. There was no Canadian in that list, but I ask hon. members not to take the professor too seriously. During the debate on my resolution the Minister of Finance (Mr. Rhodes) seemed to take the opinion of this professor as final and to assume that the question of finance was too vast and sacred to be discussed by the ordinary individual. In fact, the minister went so far as to twit myself and the hon. member for Battle River (Mr. Spencer) with having the temerity to rush in where angels feared to tread. I do not lay any claim to being a financial expert, but I think I can say without any spirit of egotism that I possess, at least I hope I do, average intelligence and common sense; and I believe if these qualities alone were applied, some solution of our difficulties might be found.

In claiming that our present financial system is at fault I find myself in very good company. One has only to quote the inaugural address of President Roosevelt made last year and recall his indictment of the system and the money changers. One could quote scores of other prominent people

throughout the world who are convinced that the root of our trouble lies in our financial system. I should like to put on record a statement of a former governor of the Bank of England, Mr. Vincent Vickers, who said in 1932:

> Obviously he (the Chancellor of the Exchequer) must rely upon the long experience and the wider knowledge of the Bank of England; but when things go wrong, terribly wrong; when we are told one day that the national safety depends upon the adherence to the gold standard no matter what the sacrifice; and a week or so later that our abandonment of it will bring salvation and prosperity to our industries; when the pulling of old levers no longer moves the signals; when the patient no longer responds to the old prescriptions . . . then surely it is time for the government to seek advice elsewhere, and to encourage open discussion, rather than attempt to "shelve" the question, as was done at Ottawa, and to avoid the issue because it is so difficult.

The fear of discussing monetary questions is a splendid example of the atmosphere which has been built up around the whole matter of finance. We have been taught to believe that finance was a subject for supermen and that it was the rankest kind of heresy and sacrilege for an ordinary individual to delve into the matter. It was surrounded more or less with a veil of mystery. But the disclosures of the last few years have rent that veil asunder and the picture disclosed was not altogether a pleasant one. With the idea prevailing that finance was a subject for supermen, the result has been that the ordinary individual has given very little thought to it. To-day we find that Mr. Average Citizen knows very little about financial matters. However, that condition is changing rapidly and to-day throughout western Canada many study clubs are engaged in the discussion of monetary problems. Right in this city there are many such clubs and one has only to travel across Canada in a smoking compartment to realize that finance is the main topic of discussion among the people. Speaking on the British budget in April, 1932, Sir Robert Horne said:

> These questions of currency always seem very remote from the ordinary life of the people, who have not had to consider them for more than 100 years, and yet the question of currency sits down at every table that is spread with a meal in every cottage or castle throughout the country.

Aristotle said that money exists not by nature but by law; it is the law that says what shall be legal tender, and it is in this house that we make the laws. I think everyone admits that there is something wrong, but when we come to decide just what it is there seem to be almost as many opinions as there are people. In my opinion, it is important that we first make a proper diagnosis of our trouble. When this is done we may then be in a better position to deal with it. In this house there are many hon. gentlemen who are prominent in the medical profession, and I think they will agree with me that the most important thing a medical man has to do when called to see a patient is first to make a proper diagnosis of the disease. As a matter of fact, until that is done more harm than good may come to the patient. If the doctor cannot tell at a glance what is wrong with the patient, I understand that he begins what is known as the process of elimination. In other words, he will first test the heart and if he finds it functioning properly he eliminates that organ for the time being, then examines the lungs, the liver and so on, eliminating each organ as he finds it properly performing its function. Now, if we apply that test to our body politic we can start with agriculture, and I presume that if I asked whether there was anything wrong with agriculture to-day almost everyone in the country would hold up both hands. But let me ask, what is the function of agriculture? The answer is the function of agriculture is to produce the foodstuffs required by the people of the world; and will anyone say that agriculture is failing in that respect? I do not think anyone will say so when we find the elevators bursting with grain, and that a policy of curtailment of production is proposed. Indeed, we see various countries destroying a part of their crops; we learn of coffee being burned, of cotton being ploughed under. I doubt whether there is a country in the world where the farmers are producing as much per capita as they are right in the Dominion of Canada. So far as agriculture is concerned therefore I think we can very well eliminate it in our search for the trouble; it is performing its function one hundred per cent.

Let us turn then to industry; and when we find many of the great factories in the last few years have either closed down or have been running part time, unable to sell their goods, their one great desire being to open up and to manufacture the things people need. We must admit, therefore, that so far as industry is concerned, it was never more efficient, never more prepared to supply the needs of people everywhere. And so we eliminate industry.

What about transportation? Was there ever a time in the history of the world when all the means of transportation were so efficient,

never were we able to transport goods to the far corners of the earth so rapidly. And so we eliminate transportation.

Coming to labour, I would ask whether labour was ever more efficient than it is at the present time. Is labour refusing to work? I say, no. When we find thousands of people unemployed, not because they wish to be idle but because they cannot get an opportunity to earn a decent living, we must conclude that there is unemployment for some particular reason. One has only to read the evidence that has been adduced in the committee on mass buying and spreads to see where labourers have been working from fifty, sixty, to seventy-five hours a week and receiving only from $1.50 to $6.50 a week. I claim that when any individual works such long hours for such a pittance, it is evidence that labour is doing its utmost to earn a living and so keep away from charity. We have to confess therefore that labour is performing its function efficiently.

This brings us to the next organism that functions in the body politic, namely, finance. Now, what is the function of finance? In my opinion its proper function is to facilitate the exchange of goods. It is the link between production and consumption, and here we find every one of the organisms that go to make up the body politic anxious to perform its particular function and, indeed, performing it on the physical side 100 per cent, and yet because of the financial system the people are not able to make use of the goods which we are in a position to produce. It is the burden of debt which is strangling these various organisms and like a cancer will finally destroy them.

Let me give an illustration. A customer wants a box of matches; the storekeeper has matches on the shelf: what is the thing that keeps them apart? If the man has money in his pocket and walks in and lays the money on the counter he can walk out with the matches, but if he has no money no transaction takes place. Money is the link which connects the two. The thing we have to realize is that we have passed from the age of our ancestors, which was an age of real scarcity. The present money system was developed under that condition and apparently it will not function in an age of plenty. Our only scarcity to-day is artificial. I believe I am right in saying that there is practically no demand for goods that cannot be met if we are able to place the money on the table: yet there is a vast unfilled demand. On one side we find producers straining to produce, while on the other side there is unemployment, with consumers not allowed to consume. Something stands between, and that thing is finance.

I might give another illustration. Here is a beautiful section of country divided by a very deep ravine. People wish to trade with one another and they decide to build a bridge. That bridge is built, not simply as a thing of beauty to look at but for service. By and by trade develops and the bridge is no longer large enough to accommodate the traffic between the two sections of the country and so the people decide that they will have either to enlarge the bridge or to build a new one to take care of the increased traffic. They do not say, "The bridge not being large enough, we will restrict the traffic to suit the bridge." But apparently that is what we are doing to-day in the matter of finance. We are capable of producing in vast quantities, but because we cannot get sufficient tickets or tokens for the exchange of goods we are starting on a policy of curtailment, trying to limit the wants of people to the amount of money the banks see fit to let them have.

Professor Murdock of Perth university, in the New Era of Sydney, Australia, has written an article which admirably describes the situation:

> The world is not suffering from a lack of goods to-day, but from a lack of tickets for the exchange of goods. To give you a picture of what is happening in this world of ours, I must ask you to imagine a village—not a poor village—but a very wealthy one—threatened with floods. All the villagers come in haste to the railway station, where as it happens there is a train large enough to accommodate all of them, with steam up ready to go. They rush on board, but the guard comes along and asks them to show their tickets. Rather impatient, because the waters are rising rapidly, they get out and rush to the ticket office, only to be told that unfortunately there are no tickets to be had; the last were sold yesterday, and no new supplies have come along. They all rush back to the train, where they find the engine-driver engaged in putting out his fires. "I'm very sorry," says the station-master, "but I'm afraid you'll have to drown. If it's any consolation to you to know it, I shall have to drown with you. There's no help for it. Obviously the train can't carry passengers who haven't got tickets. That has never yet been allowed." So they all drown for lack of tickets.
>
> What would you think of a railway company which, instead of printing tickets sufficient for the number of passengers it might be required to carry, limited the number of passengers and the number of trains to make them fit the number of tickets it had printed? That is what happens in the world to-day.
>
> Instead of creating the right amount of money to carry on all the business possible in the world, we limit the business to make it fit the amount of money there is. We close factories, we limit production, we throw men

out of work, we starve people, simply and solely for lack of money; and yet money is a thing we can create in precisely whatever quantities we choose.

Mr. STEWART (Edmonton): May I ask the hon. gentleman who wrote that article?

Mr. LUCAS: It is by Professor Walter Murdock of Perth university, Australia. I think that article admirably describes the situation which faces us to-day. On the one side we have a practically unlimited power of production and on the other unemployment and near starvation. If our money grew on trees and the trees failed to produce a crop, of course we might understand why we had a shortage of money. But even then by our scientific development I believe we would be able to turn the problem over to our scientists and in a very short time they would develop trees that would produce sufficient quantities of money. If the system we have at present is called sound money and it produces the existing situation, then I am sure none of us wants sound money.

There are those again who believe that only hard work and thrift constitute the solution for the present situation. That may have been all right for our forefathers whose great problem was scarcity and famine and whose only asset was a strong back and a pair of hands to produce a living. To-day the situation has entirely changed. With the development of science and power we are able to produce in such abundance that the whole outlook of mankind has been changed. If a man works harder, he naturally produces more; if he is more thrifty, he consumes less and therefore accentuates the very situation with which we are confronted.

One of the problems facing the world at present is how to learn to make use of the leisure time which is being forced upon us by the power driven machinery which we have produced. There is no question that the problem of our forefathers was one of scarcity and famine. In those days transportation and means of communication were limited and a famine was very serious. I am of opinion that with the development of science, transportation and the means of communication, there can be no such thing at present as a world famine. We are reaping wheat in every month in the year. Let us consider our tremendous power development; it is estimated that in this country we have potential water power to the extent of 44,000,000 horse-power, and so far we have developed approximately 7,000,000 horse-power. Engineers tell us that a horse-power is equal to the power of ten man units, so if we multiply 7,000,000 by ten; this means that we have turned loose in Canada over 70,000,000 men to assist us in our work of production and this is not taking into account power produced from steam, gas and oil. On top of that, in a very short time we shall probably be considering the development of the St. Lawrence waterway which will add the power of more millions of men. In the United States it is claimed that the great Boulder Dam scheme is equal to the power of 18,000,000 men. The development proposed in the Tennessee valley by President Roosevelt will supply power vastly beyond that amount. If anyone will go into any large power house in our country and see the giant turbines there developing power equal to millions of people, the whole thing being controlled by a handful of men, he will get some little idea of how men are being displaced at the present time. Rudyard Kipling in his inimitable style in a few short lines graphically describes this development in M'Andrew's Hymn.

> That started as a boiler-whelp—when steam and he were low.
> I mind the time we used to serve a broken pipe wi' tow!
> Ten pound was all the pressure then—Eh! Eh! —a man wad drive;
> An' here, our workin' gauges give one hunder sixty-five!
> We're creepin' on wi' each new rig—less weight and larger power:
> There'll be the loco-boiler next an' thirty miles an hour!
> Thirty an' more. What I ha' seen since ocean-steam began
> Leaves me na doot for the machine: but what about the man?

Yes, the question is: What about the man? It is estimated that in the United States even if we get back to the so-called prosperity we had in 1928-29, there will be six to eight million men unemployed. Therefore the development of this power means that men are compelled to stand idly and helplessly by and watch the machines do the work. The development of science in the technical and mechanical fields has been such that man has been placed in an entirely new relation to production. He has brought into being forces that answer to his will in such a way that if they were properly organized and directed, he could be released from drudgery and at the same time satisfy all his material needs. Tremendous changes are taking place in production, industry, transportation and means of communication and many of us who are living to-day have witnessed a great deal of that transformation. There has been wonderful progress in certain

directions, but the contradiction of our present system is such that it cannot distribute the goods. Under a system where wealth can be produced in such abundance and where human needs can be satisfied on a scale which would have seemed impossible prior to a generation ago, poverty is rampant, poverty not because of scarcity but in the midst of plenty. It is my firm belief that the root cause of our trouble lies in the present private control of our financial system, and just as the industrial revolution which commenced approximately one hundred years ago changed the whole condition and outlook of man, what is needed to-day is a financial revolution.

We all remember reading about James Watt as he watched the power of steam raise the lid on the kettle, and about Michael Faraday as he watched the needle swing from his crude induction coil. Those men had a vision of harnessing some force, and to-day that vision has become a reality. All the great developments that have taken place in the past have required some outstanding individual to carry them through to success or to get them initiated, and I think anyone who is fair and unprejudiced will frankly admit the sterling qualities, wonderful ability, tremendous energy and driving force of the Prime Minister (Mr. Bennett) if he could only grasp the vision of the new world in which we are living, because I believe he is faced with an impossible task in trying to make the present financial system work. I am reminded of the story of General Wolfe as he sailed to the battle of Quebec; he was quoting that beautiful poem, Gray's Elegy in a Country Churchyard. He is reported to have said: "I would rather have been the author of that poem than take Quebec." Mr. Speaker, I should like to say with all sincerity to the Prime Minister that I would rather be the author of a humane system of finance that would enable men and women to retain their self respect and earn a decent livelihood than attempt the impossible task of bolstering up a system which may have served in the past but which, in my opinion, will not meet the needs of the future. I think if the Prime Minister would devote his great talents to this work his name would be emblazoned imperishably on the pages of history. This is an opportune time for the change. President Roosevelt has broken with the past; the Bank Act is being revised; a new central bank is to be established. I hope that Canada will give a lead to a weary and debt-ridden world. This is no time to scoff at new ideas. Let me quote what Goethe said two centuries ago in regard to the advance of new ideas:

[Mr. Lucas.]

If anyone advance anything new, which contradicts, perhaps threatens to overturn, the creed which we for years respected and have handed down to others, all passions are raised against him and every effort is made to crush him. People resist with all their might; they act as if they never heard nor could comprehend; they speak of the new view with contempt, as if it were not worth the trouble of even as much as an investigation or a regard; and thus a new truth may wait a long time before it can make its way.

Is there any hon. member who will rise and say that he is proud of our present condition, or that he can see any hope of meeting our present indebtedness?

Speaking when the bill for the central bank was introduced, the Prime Minister informed the house that there are thirty-six countries at present with central banks, most of them privately owned. I asked at the beginning of my remarks: Do any of these countries stand out as being in any better condition to-day than the countries without a central bank? Australia has a publicly owned bank, but if my information is correct the original purpose of the Australian bank was to finance the nation, and during the war it financed successfully and with advantage to the producers the sale of meat, wool and butter to the amount of £436,000,000, and in addition financed Australia's part in the war to the extent of £350,000,000, or a total during those years of £786,000,000. When it is remembered that at the beginning of the war the Australian bank was less than three years old, this was a remarkable feat. In fact it looked as if it were going to be too successful, and legislation was introduced in 1924 that had the effect of crippling the main activities of that bank. It would seem that under this amendment it now functions as a central bank chiefly to bolster up the private banking system of Australia.

While there are a lot of proposals before the world at the present time for financial reform, and while I have not sufficient information to commit myself to any particular one, I do believe that the scheme proposed by Major Douglas offers more hope than anything else that has yet been suggested. I think it at least deserves close study. Major Douglas is no wild-eyed socialist; in fact his plan is the very antithesis of socialism. He at least appears to have placed his finger on the sore spot of our present system, that is that the total amount of wages, salaries and dividends, by which alone purchasing power is distributed to the people, is not sufficient during any given period to purchase the products made during that period. Major Douglas proposes setting up

a national credit account, a compensated price and a national dividend based on the productive capacity of the country. This could be done with a proper use of our social credit. Of course this is revolutionary in relation to our present financial system, but it is a revolution which it is claimed would improve without destroying our system of private enterprise and those things which we hold so dear under our present economic order.

If I might quote the Right Hon. Arthur Meighen on March 6, speaking at Toronto, to the Rubber Association of Canada, in the last part of his speech he is reported as follows:

> Senator Meighen declared that unless something was done to decrease unemployment "we are blindly inviting the most appalling disaster democracy ever faced."

It is claimed that Major Douglas's scheme would greatly increase purchasing power without causing inflation. It is claimed that it would solve our unemployment and old age pension problems. When such bodies as British Rotary and the Southampton chamber of commerce eulogize this scheme—and we find the London chamber of commerce propounding something very similar,—it cannot be brushed aside with contempt. Major Douglas was here about ten years ago, but of course at that time very few people were giving thought to the financial question. I would like to quote a prophecy he made when he appeared before the banking and commerce committee at that time, which will be found in the journals of the house for 1923 at page 443. On that occasion he used these startling words:

> If you go along the lines that you are following at present and if you continue along these lines for any considerable period of time —I am not going to tie myself down to date— I am perfectly certain you are heading for the most terrific disaster that the mind of men can conceive.

That prophecy was made eleven years ago, and I think it has been amply fulfilled. I am informed that Major Douglas is at present in New Zealand, having previously visited Australia, and that he may return home through Canada. From the reports I have read of his meetings in Australia and New Zealand he has received a wonderful ovation; in one place something over 12,000 people came to hear him, I would like to take this opportunity of suggesting to the Minister of Finance, in view of the importance of the question we are now dealing with, and because we are setting up a central bank, something we have never had before, that we at least give Major Douglas an invitation to appear before the banking committee at this time. I think we will all agree that we are taking quite a different view of financial questions from that which was taken ten years ago, and we cannot afford to pass this legislation without the most serious consideration from all aspects.

Motion agreed to, bill read the second time and referred to the select standing committee on banking and commerce.

SUPPLY

DEPARTMENT OF MARINE

The house in committee of supply, Mr. Smith (Cumberland) in the chair.

Miscellaneous services relating to navigation and shipping, $35,000.

Mr. DUFF: What is the reason for this decrease?

Hon. ALFRED DURANLEAU (Minister of Marine): There is a saving in the spending of this item.

Mr. DUFF: What is the $35,000 spent for?

Mr. DURANLEAU: The proposed appropriation includes necessary provision for the examination of masters and mates, $14,300; navigation schools, $5,700; temporary relief for distressed seamen, $2,500; investigation into wrecks, $5,000; registration of shipping, $2,000; removal of obstructions in navigable waters, $1,500 and inspection of livestock shipments, $4,000. In the year 1932-33 the expenditure was $28,605. I must add that the expenditure up to the present date in this fiscal year is $25,000. For that reason we believe $35,000 will be a sufficient vote.

Mr. DUFF: Where are navigation schools established in Canada?

Mr. DURANLEAU: There is a school at Halifax, and also schools at Yarmouth, Saint John, N.B., Quebec and Prince Rupert. There is also a grant to the navigation school at Queens university.

Mr. DUFF: Does the minister think there are sufficient schools of navigation to encourage young men to take to the sea?

Mr. DURANLEAU: These schools are not instituted for the purpose of inviting young men to go into navigation, or to take training in navigation. The purpose of the schools is to offer them an opportunity to study navigation so that they may obtain their certificates as mates, seamen and masters.

Mr. DUFF: I understand that, but it seems to me that if there were sufficient

schools in the country more young men would be likely to apply for masters' and mates' certificates. The difficulty now is that these schools are so placed that it is a hardship for many of the young men in Nova Scotia to attend; they have difficulty in getting to Halifax or to Yarmouth. My idea is that in a number of Nova Scotian ports, where there is shipping, other schools could be established at small cost.

Mr. DURANLEAU: If we may judge by the attendance of young men at these schools I do not think it could be said that more schools are needed. For instance, the Halifax school is open during twelve months of the year, but the average monthly attendance is only seven. That school serves the whole province.

Mr. DUFF: I am afraid the argument used by the minister is not a good one. I have always been taught that most of the brilliant young Canadians come from the farm or the village. Take Scotchmen, if you wish—I know of thousands of young men born in the highlands of Scotland away from the cities and towns who, like Dick Whittingdon, travelled to London and took charge of the government of Great Britain. I know, further, of a number of cases in this great Dominion of Canada where men born on farms or in little fishing villages on the Atlantic or Pacific coasts, have gone far in the life of this country. I do not expect that many people in the city of Halifax will attend the navigation school; no one would expect they would. That is the reason I have hinted to the minister that it would be much better to close the navigation school at Halifax and to open small schools in other parts of the province within easy reach of the seamen. It is a hardship for the people from Cape North or Neil's Harbour, or Canso, to go to Halifax to attend school for three or four months so as to obtain the necessary knowledge to become a mate. The same statements would apply to the western part of the province. For instance, let us consider the county in which I live. My opinion is that there should be a school for seamen and sailors in the county of Lunenburg, because it is in that county sailors are made. They do not make them in Antigonish, but they make them in part of Guysborough. There should be a school at Canso; there might be another one at Sherbrooke. As I say, the fact that only seven students attend the navigation school at Halifax is not an argument against the establishment of further schools. I must say that the teacher at the Halifax school is a most estimable gentleman; he knows his business, and it is not his fault that there are only seven pupils.

The point I am trying to impress upon the minister is this, however, that the department should endeavour to establish small schools in the rural sections of the province, and not particularly in the city of Halifax. The trouble in Nova Scotia is that Halifax is getting too much. In my opinion it would be a good thing to put a fence around Halifax, and do something for the rest of the province.

Mr. MARCIL: The minister has said there is one school in the city of Quebec. What opportunity does that offer the people of Bonaventure and Gaspé who are living four hundred or five hundred miles away from Quebec? What advantage is the Quebec school to those poor fishermen who wish to enter schools of navigation?

Mr. DURANLEAU: I understand that young men who wish to qualify as seamen obtain their early experience on steamships, or some other type of boat, and when they have acquired a certain degree of experience they attend schools and study for the purpose of obtaining the certificate of a master or mate. I understand that those young men who are anxious to gain their livelihood in that line of work gladly go from Gaspe to Quebec for the purpose of studying for a few months. At that point they take their examinations.

Mr. MARCIL: Does the minister imagine that under the present state of affairs, with fish selling at about two cents per pound, young men from Gaspe and Bonaventure could afford to attend the school at Quebec? Would it not be better to open a school in the Gaspe peninsula which is four hundred or five hundred miles from Quebec, so that those young men could have an opportunity to qualify?

Mr. DURANLEAU: May I remind the hon. member that the men in charge of fishing vessels do not require masters' certificates.

Mr. MARCIL: But outside of men on fishing vessels, may I point out that there are fishermen in Gaspe and Bonaventure who are five hundred miles away from Quebec. How can those poor people undertake to go to Quebec to follow a course of education? Why not establish a school of this kind somewhere on the Gaspe coast or on the north shore of the St. Lawrence between Chicoutimi and Saguenay where the fishermen live and where the sailors are born?

Mr. DURANLEAU: We would gladly do it to please my hon. friend and his electors, but

it is not very convenient to establish schools in every part of all the provinces. We have a school now in nearly every province, one at Halifax and another at Yarmouth for Nova Scotia, one at Saint John for New Brunswick, one in the city of Quebec, one at Kingston and another at Collingwood for Ontario, and another at Prince Rupert for British Columbia. So far as I am aware there have been no complaints from the public that there is an insufficient number of navigation schools. We are disposed to do anything that is reasonable to help the navigators, but in these times when we have had to reduce expenditures generally we did not think of increasing the number of schools. But in the future, if things continue to improve, as I think they are improving, if we see there is a necessity for more schools, this government will be disposed to do anything reasonable.

Mr. MARCIL: Can the minister say how many students attended the school at Quebec last year?

Mr. DURANLEAU: Last year the school at Quebec was open for three months and had an average monthly attendance of sixteen.

Mr. MARCIL: You have a school in Yarmouth, and it is not as far for Nova Scotians to go to Halifax as the distance from Gaspé to Quebec. Why should not the same argument apply for Quebec province as for Nova Scotia? If you have a second school in Nova Scotia, why not a second school in the province of Quebec?

Mr. DURANLEAU: I should hope the results would be better from a second school established in the province of Quebec than from the second school in Nova Scotia because at the school at Yarmouth, which has been open twelve months on half time, the average monthly attendance was only two, which is not very encouraging.

Mr. STEWART (Edmonton): Move that school to Gaspé.

Mr. MARCIL: The minister says he is willing to give all the facilities that are required as conditions improve. Why should not the government itself start to improve conditions by giving to the young people on the Gaspé coast the facilities for learning a calling? They are all sailors and fishermen, and they have certainly not the means to go such a long distance as to the school at Quebec. I know the minister cannot finally decide the question to-day but I would ask him to consider fully whether this is not an opportune time for him to establish a school to enable these young people to learn a calling. They live on the Atlantic coast, and naturally are all fishermen. They would ask for nothing better than the opportunity to qualify for a calling if they could only be given the chance by the government. I think the minister should consider the question of having a school either in Bonaventure or Gaspé for these young people who live such a long distance away from Quebec. The question has often been mooted. These young people of Bonaventure have no other trade or occupation to go into whereas there are many trades and occupations open to the people of Quebec city. Down on the Gaspé coast the opportunities are limited to farming, lumbering and fishing, and the minister knows that so far as fishing is concerned the Gaspé coast is far behind what it should be. Representations have been made to him time and time again by men of both political parties, and by such an eminent personage as His Excellency the Bishop of Gaspé, who is now taking charge of this question in the interests of his people. He has called the minister's attention repeatedly, I am sure, to the handicaps under which this population labours and to the condition of the fishing industry itself. I think application has been made for the establishment of a biological station down there. I do not like to bring that question up on the Marine estimates, but perhaps I might be allowed to make a reference to it. I should like to know from the minister if anything has been done in regard to the requests made by Bishop Ross and the people generally on the Gaspé coast. The question was discussed no later than yesterday or the day before in the Quebec legislature, and it was contended there that if an agreement could be arrived at between the two governments it would be for the benefit of the population. I have no doubt that the minister is impressed with the importance of the matter and is willing to do what is possible. He will admit that conditions at the present time are not at all satisfactory and that something should be done if we want to help these people to carry on their calling. I am not asking for the establishment of schools above Quebec in that part of the province where there are no fishermen or sailors, but down in that part of the province where the sea is the natural calling of the population. I hope that the minister, who acts in the dual capacity of Minister of Marine and Acting Minister of Fisheries, will come forward and say that the government of which he is

a member will give these people some encouragement and say that he is in favour of a progressive policy. If there is a misunderstanding, as it were, between the government at Quebec and the government at Ottawa because the fisheries of the province are under the control of the Quebec government, it is unfortunate that the population has to suffer on that account. It is for that reason that I bring this matter up, in the hope that the minister will be able to give us some encouragement, and tell us that he has considered this question and intends doing something. If he will give us some assurance on that point I am sure that his announcement will be received with great pleasure by the population generally of that peninsula.

Mr. DURANLEAU: I should like to remind my hon. friend from Bonaventure (Mr. Marcil) that we are not at the present time discussing the estimates of the Fisheries department. We are discussing the estimates of the Marine department. However, I have no objection to saying a few words on the question raised by my hon. friend. As he well knows, the fisheries were transferred to the provincial authorities in 1923, I think it was, at the request of the authorities in Quebec. Since then the fisheries have been under their absolute control, but nevertheless we were asked last year by the authorities at Quebec to cooperate and help them in the administration of the fisheries of that province. I had conferences with the Minister of Fisheries of Quebec, one at Quebec and another at Ottawa, and I expressed my strong desire as Acting Minister of Fisheries to help the Quebec authorities in the way suggested by my hon. friend. It was suggested that a French school might be established in Gaspe for the fishermen and to train inspectors of fisheries—a French school, which would be of service to the French fishermen of the province and of New Brunswick and the Magdalen islands. The Quebec government was supposed to supply the building, and two or three French teachers would be supplied by my department. The matter will be discussed further with the provincial authorities. I understand that the Quebec government has sent to Europe two or three young men who had already some knowledge in fishery matters in order that they may perfect their studies abroad. These young men may become the teachers of that school. I hope to be in a position before long to do something in cooperation with the Fisheries department at Quebec.

Mr. MARCIL: I wish to thank the minister for his announcement. I know he realizes the importance of this matter. It is all right to have English-speaking schools in the English-speaking districts, but in a population which is largely French it is only fair that the people should be taught in the language in which they are the most competent. I understand the university of Laval has offered the services of young men or even professors who would be qualified to take up this matter and start it along. It is unfortunate that the population should suffer through a lack of cooperation between the two governments. I do not blame either this or the provincial government and I am glad to know that the minister realizes the importance of doing something for these people.

The Magdalen islands, the Gaspe coast, the north and south shores of the St. Lawrence, Gloucester, Shippigan and other places along there are inhabited almost solely by fishermen and sailors. If a start could be made at Gaspe, the centre of the whole district, I am sure considerable improvement would be made. The minister would be entitled to a great deal of credit if he continued his cooperation with the Quebec government. I am glad to know that Mr. LaFerté, the Minister of Fisheries of Quebec, has met the minister in this respect. The Bishop of Gaspe has offered his most sincere cooperation, as has the university of Laval. A sincere desire is expressed throughout the whole district that this great part of our national domain in which is carried on one of the great industries of Canada should receive the attention it deserves. These people are poor, they are hard working, they have to face hard winters and are handicapped in many respects. During the last three or four years there has been a marked decline in the lumbering industry and many shanties and mills have been closed throwing thousands of men out of employment. The fishermen are forced to work hard to eke out a living of the barest kind and they are entitled to all the assistance the minister can give.

I hope the minister will continue his efforts to bring about a better understanding. The province of Quebec controls these fisheries but the dominion government expends a lot of money in the improvement of fishing conditions and the distribution of knowledge in connection therewith. This fact was pointed out only a few weeks ago in the legislative council of Quebec by the Honourable Mr. Kelly, who resides at New Carlisle and who is an authority on fishing matters. He pointed out many ways in which agreement could be brought about between the two governments with the cooperation of Bishop

Ross. The bishop exercises great influence in the district and he has the interests of the people at heart. Fishing will always remain one of the main occupations of these people and I think some effort should be made to bring this matter to a conclusion as soon as possible.

Mr. DURANLEAU: I have followed the discussions and the debates which have taken place in the legislative council and the house at Quebec and during my trip last summer down the St. Lawrence I visited the fishermen of Quebec and New Brunswick. I had the pleasure also of meeting Monseigneur Ross at Gaspé and I was impressed by the great interest which this reverend gentleman is taking in fisheries. I was impressed by his competency to deal with these matters and I told him that this government would cooperate with the provincial government on the lines I have already stated. We are still of the same disposition.

Mr. MARCIL: I should like to know if the minister has instructed his deputy to go to Quebec. I understand that the premier of Quebec has made the announcement that negotiations were under way and that Mr. Found had been instructed to come down there to learn the views of the Quebec government and see how cooperation could be brought about. Could the minister give me any information in this regard?

The CHAIRMAN (Mr. Smith, Cumberland): I would draw the attention of the committee to the fact that we are discussing the estimates of the Department of Marine and not the Department of Fisheries.

Mr. GIROUARD (Translation): Could the hon. minister inform me whether the instruction in those schools is gratuitous?

Mr. DURANLEAU (Translation): The instruction is gratuitous.

Mr. GIROUARD (Translation): What was the maintenance cost of these schools at Halifax and Yarmouth, last year?

Mr. DURANLEAU (Translation): I can inform the hon. member what were the salaries paid to professors. At the Yarmouth school, the professor works only half time and receives $810.

Mr. DUPUIS (Translation): What is his name?

Mr. DURANLEAU (Translation): A. W. Hillton. At Quebec the school has only been opened since four months and we have paid out $440 in salary.

Sir EUGENE FISET (Translation): For sixteen students?

Mr. DURANLEAU (Translation): An average of sixteen students per month.

Mr. DUPUIS (Translation): How many students are there at Yarmouth?

Mr. DURANLEAU (Translation): I stated a moment ago that there were on an average two students per month.

Mr. GIROUARD (Translation): At Halifax?

Mr. DURANLEAU (Translation): The school, at Halifax, is open twelve months per year and we have paid $2,100 to the professor.

Mr. GIROUARD (Translation): Do the buildings in which are located these schools belong to the government or are they rented?

Mr. DURANLEAU (Translation): I think that the buildings in which the courses are given are rented. There may be one or two exceptions where the schools might be located in buildings belonging to the Public Works department; however, I think that in most cases they are rented.

Mr. GIROUARD (Translation): Could the hon. Minister inform us what is the rent of the school at Yarmouth, if he has this information?

Mr. DURANLEAU (Translation): It is impossible to give any information in this connection to my hon. friend, because the renting of such buildings comes under the Department of Public Works.

Mr. DUPUIS (Translation): No report is sent to the Department of Marine by the Public Works department?

Mr. DURANLEAU (Translation): Not in connection with the payment of rents.

Mr. DUFF: The minister made the statement that last year only two pupils attended the school at Yarmouth. There is a reason for this. In the old days when we had freer trade relations not only with the United States but with the rest of the world, when there were not so many tariff restrictions, Yarmouth was known as the great port of Nova Scotia. Many vessels were sailed from this port and in fact, many were built there and sold throughout the world. A great mercantile marine was built up, but this situation has changed to such an extent that now there are only two pupils in the school. However, this is no reason why some encouragement should not be given to other parts of the province.

Mr. DURANLEAU: I never said there were only two pupils last year, I said that the average monthly attendance was two.

Mr. DUFF: How many pupils were there altogether?

Mr. DURANLEAU: I cannot say; I have only the monthly average attendance.

Mr. DUFF: I am not criticizing the minister at all; I am not asking him to close the school at Yarmouth. What I want is to have that school and others encouraged, and I think the department should make an effort to induce more pupils to attend the schools. But there are other parts of Nova Scotia where in my opinion it is necessary to have schools in the interests of this country. As my hon. friend from Bonaventure said, fishing is so to speak the birthplace of the merchant marine. It is the boys who go in fishing boats that afterwards become sailors and later on in life even captains of ocean liners going out of New York and other American ports. These boys are virtually raised in fishing boats from the time their eyes open, almost, and I am impressing on the minister the importance of establishing these schools. When he says that they are being cut down owing to economy, I say to him that that is the worst kind of false economy.

Mr. DURANLEAU: I did not say that.

Mr. DUFF: I understood the minister to say that it was done in the interests of economy.

Mr. DURANLEAU: I am misquoted.

Mr. DUFF: Then I apologize and take it back. But I want to impress upon the minister the seriousness of this matter. There exists in Nova Scotia a condition which this or any other government should remedy, and this government is no more to blame than previous governments so far as the fisheries and the merchant marine are concerned. I am not blaming this government. I came to this parliament seventeen years ago, hoping to do something for the merchant marine and the fisheries of the maritime provinces, and ever since I have tried to do my duty. I repeat, there is a serious situation in that province and an effort should be made to remedy it. All it costs for one of these schools is about five hundred dollars, if my information is correct, and I submit to the minister that a school should be established at North Sydney, in the constituency of the hon. member for Cape Breton North-Victoria, and also one in the county of Pictou, which would serve not only the north shore of Nova Scotia but Prince Edward Island as well. There should be one at Canso and one at Lunenburg. It would cost only a couple of thousand dollars for the whole thing and it would encourage young men to go to sea, because our trouble in Nova Scotia is that, owing to lack of facilities and because of certain marine laws based on British board of trade regulations, it is almost impossible for the ordinary sailor to go to school to learn to be a navigator or to qualify to be a mate or captain. These people have not the money. I say to the minister and his officials that in the interests of this country, especially as regards the Atlantic coast—and I presume the same applies to the Pacific—a few thousand dollars should be spent to encourage men to go to school and take an interest in the merchant marine. And I am an outsider when I say this, that if you encourage Canadians to become masters and mates you will not have so many Englishmen on ships in the Canadian merchant marine.

Mr. MACDOUGALL: How much money was spent by the Liberal government during the nine years the Liberal party was in power, supported by the hon. gentleman? How much was appropriated to teach the young fishermen of Nova Scotia—the hon. gentleman's province and mine?

Mr. DUFF: Perhaps my voice was not loud enough, but if the hon. gentleman had listened he would have heard me say that I did not blame either the minister or this government; I said that both this government and previous governments were in exactly the same position, neither having done their full duty.

Mr. MACDOUGALL: With which I perfectly agree.

Mr. NEILL: Doesn't the minister think there should be a school in Vancouver? I understood him to say that the school was at Prince Rupert, but I would point out that Vancouver is a bigger shipping centre.

Mr. DURANLEAU: I understand that there are private schools in Vancouver, as there are in Montreal and Toronto.

Mr. REID: In this connection, may I point out something that affects mates and engineers on ships. Both in the port of Vancouver and at New Westminster there are many ocean-going ships that require mates, and when Canadians apply they are asked for their certificate from the British board of trade. A British board of trade certificate must be shown before any man can be engaged on these ships, and it works a hardship on Canadian seamen, of the rating of mates and engineers, who cannot produce these board of trade certificates from Great Britain. Seeing

that there are schools throughout the country, I think that these two Pacific ports should be taken into consideration when the establishment of further institutions is being considered. There is one at Prince Rupert and I raise no objection to that, but in Vancouver and New Westminster schools should be established, because as I say we are faced to-day with that situation, where mates and engineers are refused positions on board these ships owing to the fact that they cannot produce the certificate of competency demanded. The information has come to me from the men's association that men have been brought out from the old country to fill positions on ships while in Vancouver and New Westminster there are men capable of filling them. This statement has been made in good faith, instances having been cited. I would ask the minister to consider the inauguration of such schools so that men around New Westminster and Vancouver may be able to qualify and so obtain the necessary certificates of competency.

Last year there passed through this house a measure known as Bill C1, to amend the Canada Shipping Act. That bill was passed and sent to the Senate. Section 681 reads:

> The governor in council may from time to time appoint, at such places in Canada as he deems advisable, one or more persons to inspect ships' tackle and to supervise, to such extent as may be necessary for the protection of those employed therein the work of loading and unloading of ships.

Why has not the government taken action to appoint an officer in the port of New Westminster in connection with this provision? Over four hundred large ocean going vessels entered that port last year from all parts of the world, Norway, Sweden, Great Britain, China, Japan and practically every other country, but there is no government official there to inspect ships' tackle. I wish the minister would inform me why an officer has not been appointed before this, and whether such appointment in the near future is under consideration.

Mr. DURANLEAU: As regards the first question, this is the first time I have heard that navigators or mates have difficulty in obtaining certificates to go to sea. I have always understood, and my deputy minister informs me that there is ample opportunity in Vancouver for seamen to study at private schools, and so to obtain the necessary certificates. However. I shall be pleased to take the matter into consideration and get more information, and if something can be done to improve the situation it will be done.

As to the other question, the reason inspectors of ship tackle have not yet been appointed is that my department have drawn up certain regulations for the prevention of accidents in loading or unloading ships and these regulations have been forwarded to all the shipping interests, associations of stevedores and so forth on the Pacific and Atlantic coasts for their study and report. As soon as this is completed, we intend to appoint inspectors where they are required.

Mr. REID: I am glad to hear that they are to be appointed, but I still think there has been considerable delay. Last year when the bill was under discussion in the house, those of us who spoke about the inspection of ship tackle, and supported the bill, understood that an officer would be appointed at least as soon as parliament prorogued. It is all very well to send out regulations, but unless there is some official who has proper authority from the government, I do not think any regulation would be carried out at least officially. I would urge the minister to have an officer appointed very soon because ship tackle inspection is absolutely necessary. Sailing out of the port of New Westminster last year were four hundred large vessels, all with considerable tackle, some of it very poor; but there was no one in authority to tell the captain or the officers that they could not use that tackle. I need hardly draw the attention of the minister to the fact that such tackle may endanger the lives of the men who are working on those ships.

May I refer to just one other matter and this time it is not to offer criticism? Last year I appealed to the minister to have some money spent on navigation lights in the Fraser river and the minister was kind enough to say that the matter would be investigated. I am taking this opportunity to let him know I appreciate on behalf of the port of New Westminster the work done on the Fraser river last year by his department and through his good offices. That work, I understand, has been very nearly completed and, I am glad to say, at a lower cost than the first estimate given by one of his officials. In fact, I think commendation should be given to the marine engineer in Victoria who said that the navigation lights would cost $60,000, whereas the work has been completed at a cost of around $12,000 or $15,000. This is the first engineers' report I know of that has been well under the estimate. My reason, however, for speaking is to say that I appreciate the work done there, but in regard to the matter of ship tackle I would very earnestly urge the minister to have this inspector appointed right away.

Mr. DURANLEAU: I thank the hon. member for his words of commendation.

Mr. NEILL: The real trouble in regard to the non-appointment of those officers is due, is it not, to the fact that the act passed last year was never brought into effect? It was to be brought into effect on proclamation and if my memory is not incorrect, it has never been proclaimed. I can support the hon. member for New Westminster in regard to the need for this inspection because Port Alberni is also shipping a large quantity of lumber and an inspector is badly needed there.

Mr. DURANLEAU: An inspector would not have much to do if he had no regulations to enforce.

Mr. NEILL: The regulations are in the act, but the government has not put the act into effect.

Mr. DURANLEAU: The regulations have to be adopted by the department and approved by order in council. As a matter of fact they have been drafted and are being circulated throughout the country.

Mr. NEILL: Has the act been proclaimed?

Mr. DURANLEAU: I do not think so. We have been waiting until the regulations were ready to be put into force; then we shall have the act proclaimed at the same time and we shall appoint inspectors. We had in view having a ship tackle inspector in Vancouver, but we thought it was not the proper time to appoint a man because no regulations had been adopted. It is very important that those who are interested in these matters should have the opportunity of being consulted on the regulations to be adopted. I hope within a few months we shall have complete reports from all sides and then we shall proceed, I trust, during the coming summer.

Mr. CANTLEY: This item deserves more consideration than has been given to it by any minister in recent years. One of the first occasions upon which I rose in the house was to support the hon. member for Richelieu (Mr. Cardin), the former Minister of Marine, when the same question was up. Let us consider for a moment the object of these schools. A young man has been going to sea for a couple of years; he has ambition and he goes to the marine school to get some tuition in navigation and passes for second mate. He then goes back to sea as a second mate and after he has spent two years at sea, he returns with a certificate of servitude of two years. He goes again to school and applies for a ticket as first mate. He passes the examination; he gets his ticket and again goes to sea. After two years further service he returns to one of these navigation schools where he studies for a master's certificate and if he is successful, he gets it. These young men cannot travel long distances; they cannot go to Halifax and spend five dollars a day for board and tuition, so these schools should be planted in at least three or four places in the maritime provinces. Forty years ago Yarmouth had more sail tonnage than any other port in Canada, but that has evaporated. Why? simply because steam drove sail off the ocean. In the seventies and eighties Nova Scotia owned more sailing vessels per head of population than any other country on the face of the earth, but that has gone due entirely, as already said, to steam superseding sail. While I do not often do so, on this occasion I support the hon. member for Antigonish-Guysborough because I think we should have marine schools at Halifax, Lunenburg, Canso, Sydney and Pictou. The total cost need not run into large figures, but these schools should be provided, where our young men would have the opportunity of attending them, and that without any undue expense. My hon. friend the "Admiral" has alluded to the fact that at present many of the commanders of the best liners on the Atlantic are Nova Scotians. Half the United States merchant fleet is officered by Nova Scotians, who in order to be able to serve on those ships have had to sacrifice their Canadian nationality. Our boats that are running to-day under government control to the West Indies are all manned and officered by Nova Scotians, all of whom got their first lessons in seamanship under sail. The total figure given by the minister for these schools does not amount to a bagatelle; let him double it and give these young men an opportunity to become efficient deep sea commanders.

Mr. DURANLEAU: I thank the hon. member for Pictou for the views he has just expressed. The department is willing to hear and to put into force any reasonable suggestion made in the house and the views of a man of the experience of the hon. member for Pictou are always carefully considered. I also thank the other hon. gentlemen for their expressions of views this afternoon and I can assure them the department will be pleased to study everything that has been said to-day.

Mr. REID: Can the minister throw a little light on the subject of mates' certificates? I think the trouble arises owing to the fact that ships coming to the ports of New West-

minster or Vancouver demand a Lloyd's certificate; they will not recognize a Canadian certificate. They ask for a board of trade certificate from London. I think the reason they are afraid to engage seamen with Canadian papers is in case they might have to pay their fare back or bring them back here from the old country. I appeal to the minister to look into that. There should be some reciprocal arrangements between this country and Lloyd's, if we recognize a Lloyd's or London board of trade certificate, instructions should be issued to vessels coming from the old country to Canada to recognize Canadian papers of competency.

Before sitting down may I ask the minister if he has in mind the appointment of a ship tackle inspection officer for the port of New Westminster as well as for the port of Vancouver?

Mr. DURANLEAU: As to the latter part of the query, I am not prepared to say if an inspector will also be appointed at New Westminster, the matter will be considered. As to the other point, I am afraid it rests with the owners of the ships to accept or refuse any employee, but I can assure my hon. friend that if anything can be done by corresponding with the British authorities on the point suggested we shall be pleased to do it.

Mr. MacINNIS: Referring again to the appointment of inspectors, some of us supported and voted for the Canada shipping bill last year wholly on the score that we thought these inspectors would be appointed as soon as the act was passed. I have been after the minister ever since I came down here to have these inspectors appointed. My understanding is that at the end of 1932 there was an agreement between the department and the stevedoring companies, in Vancouver at least, as to safety regulations. I thought the safety inspector would have been appointed even before the amendment of last year. What is holding up the appointment? Is it that the minister has not heard from the shipping companies, or that they are not in agreement with him on the regulations? If that is the case, then the shipping companies should be hurried because the situation is becoming serious.

Mr. DURANLEAU: The reason is that we are waiting for reports from the shipping interests on the draft regulations. In fact we have received many reports. Recently we have met the shipping interests from Montreal who came to discuss these regulations and suggested some amendments, and we are waiting for the others. I am told that it will not be long now. The moment these regulations are adopted and approved by order in council we shall put the act in force and appoint the inspectors.

Mr. MacINNIS: I wish to thank my hon. friend from New Westminster for bringing this matter to the attention of the minister, and I would ask that the minister write to these people and tell them that delay cannot be permitted much longer.

Mr. QUINN: I would like to add a word in support of the observations of the hon. member for Pictou (Mr. Cantley) and to protest against the reduction in this item. It is unnecessary for me to add anything to what the hon. member for Pictou has said with regard to the services of captains, officers, mates and graduates of the marine school in Nova Scotia and the maritime ports and their position in the mercantile marine. I quite agree with the hon. member for Pictou that instead of curtailing this amount, increased facilities should be given to the people of the maritimes who are so well qualified to take positions in the navy and the mercantile marine. In this connection I might also draw to the attention of the committee the fact that in Halifax the positions of superintendent of pilots and supervising examiner of masters and mates have been temporarily joined; that is the supervising examiner of masters and mates at Halifax is now temporarily filling the position of superintendent of pilots. That should not be; these positions are of such importance that one man cannot fill them both. I would urge that a permanent appointment be made to the position of superintendent of pilots and also that an appointment be made of supervising examiner of masters and mates. This matter is of great importance to the people of the maritimes. I would request that the minister reconsider the curtailment of this item in his estimates.

Mr. DURANLEAU: I will give the suggestions of my hon. friend serious consideration.

Mr. HEENAN: I was very glad to hear the hon. member for Pictou tell of the ships officered by Nova Scotians, particularly in the mercantile marine. I would like to point out to the minister that there is another class of seafarers that ought to be given consideration, especially on boats owned by the Canadian government. I have a complaint pointing out that the staff of cooks and waiters on the West Indies service numbers

thirty-six, and they are all West Indians except three. Many of the men who have been applying for those position—coloured men—are veterans of the late war, and they have not been able to get places. It is true they were given a trial last summer, but the service upon which they were tried seems to have been disbanded, and these men are now unemployed in Canada, while thirty-three West Indians are on the ships belonging to the Canadian government.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILL

THE FIRTH-BREARLEY STAINLESS STEEL SYNDICATE LIMITED

The house in committee on Bill No. 10, respecting a certain patent owned by the Firth-Brearley Stainless Steel Limited—Mr. Kennedy (Winnipeg South Centre)—Mr. Gobeil in the chair.

Mr. STEWART (Edmonton): I should like to ask the hon. member sponsoring the bill to give the reason for the extension by legislative action.

Mr. KENNEDY (Winnipeg): Mr. Chairman, this is a bill to revive and extend the patents in respect of a certain invention commonly known as stainless steel. The reasons for which the legislation is asked are briefly as follows: The information I have before me sets out that the inventor, Harry Brearley, a British subject, residing in England, obtained a Canadian patent in 1915. In the normal course of events the patent expired at the end of August last. Prior to the date of expiration a petition was filed asking that it be extended for a period of six years, the reasons being as follows: This patent covers an alloy. Without going into the chemical properties of that alloy I may say that its outstanding property is the production of steel that is stainless in character, and is used largely in the manufacture of cutlery. The war being in progress the services of Mr. Brearley, the British inventor who was one of the leading engineers in the service of Thomas Firth and Sons, steel makers, were commandeered by the British government. The firms which developed the patent required to exert all their energies towards the construction of munitions until after the close of the war. So that for the period of the war and for some time following the inventor was unable to develop his invention.

The invention is set out briefly as follows: The production of the alloy, otherwise than for purposes of munitions, was from the first rendered practically impossible owing to the great scarcity of chromium, almost the whole of which was required for munitions, and the preoccupation of steel makers with war work and the necessity of utilizing the whole of the steel works output for government requirements. The British government for the time being prohibited entirely the manufacture of the alloy for purposes of manufacturing cutlery. At the time this prohibition was imposed the use of the alloy had not been developed for purposes other than cutlery and munitions, and therefore the prohibition of its use for the manufacture of cutlery practically amounted to a complete cessation of its manufacture for non-military purposes. So that so far as the inventor was concerned the years of the war were lost, and it was not until a couple of years afterwards that he could take steps to develop it. The patent is held by the parties named in the bill, namely The Firth-Brearley Stainless Steel Syndicate, Limited, which company is composed of the Firth of Thomas Firth and Sons and the original inventor, Brearley.

The principle of passing legislation to extend the ordinary life of a patent has been accepted on more than one occasion in this house. I took occasion to look up the precedents, and I have before me at least seven instances where similar action has been taken. Therefore I suggest that once the principle has been accepted we must face the question of merits. With this in mind I have indicated the merits of the present bill. If the house would be interested in having a list of precedents I shall state them briefly.

In 1930 the principle was acted upon in the case of an application by Stauntons Limited of the city of Toronto. In that instance the patent was extended from 1933 to 1938, a period of five years. In the case of the Canadian Cinch Anchoring Systems Limited of the city of Montreal, the patent was extended from 1930 to 1936, a period of six years. In the case of A. P. Frigon, of the city of Montreal, the patent was extended from 1922 to 1936, a period of fourteen years. In the case of Gold Medal Furniture Manufacturing Company of Toronto, the patent was extended from 1906 for a period of six years. In the case of the Facer Solid Steel Car Wheel Company Limited, of Perth, the

principle was acted upon and the extension obtained for a period of nine years. This bill asks for an extension of six years, being the time which it is estimated was lost.

Mr STEWART (Edmonton): May I say to the hon. member there is no doubt about precedents. The ones he has quoted, however, are Canadian. There are two questions I should like to ask him: First, has the patent been extended in England, where the patentee resides? The hon. member has not given us any special reason for the extension in Canada. Such extension would certainly keep Canadian manufacturers from using the product.

Mr. KENNEDY (Winnipeg): In reply to my hon. friend I would say that already, under patent, articles have been manufactured in Canada, by licence from the original patentees. That is the system by which it is being developed. I have before me the figures showing the extent of development in Canada, if the hon. member would like to hear them.

Mr. STEWART (Edmonton): I am not interested in that, except as to this point: The company using the patent will have to pay a tribute to the patentee, and rightly so, during the life of the patent. He has enjoyed that privilege in Canada, and the only reason the hon. member gives for asking for the extension of the patent is the prohibition order of the British government made during the war, which would affect only Great Britain.

Mr. KENNEDY (Winnipeg): It is not a matter of affecting Great Britain alone. The condition which existed in Great Britain existed to the same extent in Canada. The steel works were used almost exclusively not only in Great Britain but throughout the British Empire for the manufacture of war munitions, and for that reason the articles which would be made under this patent could not be made. The time asked for is really equal only to the loss of time suffered.

Mr. STEWART (Edmonton): Are there any requests from the companies who under the patent purchased the right to manufacture?

Mr. KENNEDY (Winnipeg): I did not hear my hon. friend.

Mr. STEWART (Edmonton): Can my hon. friend give any assurance that the companies who purchased the right to manufacture under this patent, expecting naturally at the expiry of the life of the patent to be free from paying any further compensation to the patentee, have made any requests?

Mr. KENNEDY (Winnipeg): Due notice was given in the ordinary course. The matter came up in the usual course in the private bills committee and no objection whatever was entered by any person or party.

Mr. GIROUARD: Can the hon. member say in what year the patent was first obtained?

Mr. KENNEDY (Winnipeg): In 1915.

Bill reported, read the third time and passed.

SUPPLY

The house again in committee of supply, Mr. MacNicol in the chair.

DEPARTMENT OF MARINE

Miscellaneous services relating to navigation and shipping, $35,000.

Sir EUGENE FISET: Before the recess I listened with a great deal of pleasure to the plea made by hon. members from Nova Scotia for the establishment of three other schools of instruction in that province. I noted that the minister in his explanation stated that there were already two schools in that province, one at Yarmouth and the other at Halifax. I also noted that the number of students who attended these schools during the last year was two at Yarmouth and six at Halifax, while the school at Quebec had an average of sixteen students during the season. If we are to judge by numbers, those figures might go to prove that the sailors of the province of Quebec take a stronger interest in the school of instruction than do the sailors in the maritime provinces.

In view of the admirable patience with which the minister has listened to the pleas that were made to him I venture to call his attention to the needs of the lower St. Lawrence, including the counties of Témiscouata, Rimouski and Matane. As the minister very well knows, sailors' families have been established in all the parishes of these counties for over a century, and the officers and men who man the fleets running from Montreal down to Matane come from these families. The minister knows how expensive it would be for the sons of these families to travel from points further down the river to the city of Quebec to take a course of instruction at the school there. He will recall that in the county of Rimouski at Father Point is situated the pilot station for the lower St. Lawrence, and there he has an officer of his department, an

ex-pilot, a very well educated man, who is extremely well qualified to take charge of one of these schools of instruction. I am asking the minister seriously to consider the establishment during the winter of a school of instruction at Father Point so that the sons of these families will have the opportunity of getting instruction. I can assure him that the expense connected with such a school would be absolutely nil because the school itself could be located free of cost either through the municipal council or in one of the buildings belonging to the Department of Marine or the Department of Public Works. Secondly, the instructor for such a school could be chosen from among the present personnel of the Marine department at Father Point. Captain Lachance would be an admirable instructor for such a school. I have already spoken of his qualifications. He is paid his full salary during the summer but receives only part-time salary during the winter. If he were paid his full salary for the whole year I am sure that he would be very willing indeed to undertake this task.

I make this appeal to the minister because like many of my colleagues in the house I have received numerous applications and demands for such a school, and we could do no more than refer them to the Department of Marine, where they have been told that the only school that exists in the province of Quebec was in the city of Quebec. The great majority of those who would like to take instruction in such a school could not possibly afford to pay their travelling expenses to Quebec and pay for their board there. It must be borne in mind that no allowance is made to the students attending these schools. They do not receive their railway fare or anything of the kind, but have to pay all their own expenses. In these times of stress it will be realized that it is not simply inconvenient but practically impossible for these young students to attend these schools, and therefore I hope the minister will give us people of the lower St. Lawrence the same—shall I say?—favourable consideration that he has promised those of the maritime provinces.

Mr. HANSON (Skeena): On behalf of the fishermen and mariners of northern British Columbia I wish to thank the Minister of Marine for establishing one of these schools of instruction at Prince Rupert. I have received many letters of appreciation of the fine service which the school at Prince Rupert is rendering, and I am therefore sorry to see that this vote is being reduced. These Canadian men make their living from the sea and this school is a great thing for them. Instead of decreasing the vote I think it should be increased, but I thank the minister on their behalf for establishing the school. The young men of Canada who make their living from the sea should receive every encouragement.

Mr. BROWN: Before the committee rose at six o'clock the hon. member for South Vancouver (Mr. MacInnis) was inquiring with regard to a bill which contained certain provisions with reference to labour. I think he was referring to the bill passed last session which amended the coastal laws. My understanding is that it has not yet been put into force.

Mr. DURANLEAU: It is not yet in force.

Mr. BROWN: Is that because hon. members opposite representing farming constituencies made protests to the minister after having voted in favour of the bill?

Mr. DURANLEAU: Not at all.

Mr. BROWN: Why has this law not been put into force? We should like to know why legislation adopted by the house in the face of very strong opposition has not been put into force. Is it because protests have been made by farmer members opposite?

Mr. DURANLEAU: The hon. gentleman will recall that that law was to come into force upon proclamation. At the time there were certain difficulties which prevented its being put into force, and those difficulties have not been overcome.

Mr. HEENAN: Before adjournment I asked the minister if he would consider giving employment to the coloured stewards and cooks in Halifax about whom I spoke. I am wondering if he has given this matter some consideration during the recess.

Mr. MANION: I think the hon. gentleman is referring to the Canadian National Steamships rather than the Department of Marine. I heard some of the remarks of the hon. gentleman just before six o'clock and I have asked my secretary to look up the file and perhaps a little later I may be able to give my hon. friend some information. I dealt with this matter quite fully some time ago.

Mr. BRASSET (Translation): I should like to inquire of the Minister of Marine (Mr. Duranleau) whether any progress was made at the dominion and provincial conference in connection with cooperation in the fisheries.

Mr. DURANLEAU (Translation): Mr. Chairman, I do not know whether my hon. friend was in the house this afternoon as I gave some explanation in this respect, not-

withstanding the fact that we were not discussing the estimates on Fisheries but those on Marine. If my hon. friend will again put his question when the estimates on Fisheries are brought down, I shall be pleased to discuss the subject with him.

Mr. BRASSET (Translation): I am quite aware that the present discussion is on marine schools. What I wish to point out to the hon. minister is that the recruiting of sailors, engineers or seamen is especially done in the counties of Bonaventure and Gaspé. There is no naval training school in the Gaspé peninsula. There is one in Quebec and it is the only one where the Gaspé people can qualify as seamen. The citizens of Bonaventure, Gaspé and the Magdalen islands are obliged to travel 500 to 600 miles to reach Quebec in order to learn this trade. I think this is not very encouraging. It would be much preferable to have a school in Gaspé or in the surrounding country or again make some arrangement so as to encourage the fishermen of that section of Quebec who wish to follow this occupation and are obliged to travel 1,500 miles to do so. Under the circumstances, I would inquire from the hon. minister whether he intends to establish a marine training school in Gaspé itself, or in the neighbourhood so as to encourage our fishermen and our seamen.

Mr. DURANLEAU (Translation): I must inform my hon. friend that the question has not yet been considered. To multiply these schools in the various sections of a province would be departing from the policy followed heretofore by all governments. There are marine schools in one or two locations in almost every province interested in navigation matters. I am willing to consider whether it would be possible to put into practice the suggestions made by my hon. friend, however, I wish to point out to him that it would be completely changing the practice followed heretofore.

Mr. BRASSET (Translation): I am aware that such a policy should perhaps have been adopted before to-day; however, this is not a reason because nothing was done in the past, not to establish such schools in the future. I wish to point out that the marine school at Quebec is not centrally located. Schools should be established in localities easy of access for those who wish to become seamen. Quebec, I know, is a maritime port, however, it is far from the sea and there are few people from that section of the country who wish to become seamen, while in Gaspé, for instance, those who live along the shores of the gulf are naturally more attracted to this kind of life.

Item agreed to.

To provide subsidies for wrecking plants—Quebec and British Columbia, $40,000.

Mr. HANBURY: Will the minister explain this item?

Mr. DURANLEAU: This is to provide subsidies for wrecking plants, one at Quebec and one at Victoria, British Columbia.

Mr. HANSON (Skeena): What were the expenditures last year in British Columbia and on the Atlantic coast?

Mr. DURANLEAU: We have an agreement with the Pacific Salvage Company which runs until 1935 for $10,000 a year.

Mr. HANSON (Skeena): Is that the total amount expended on the Pacific coast?

Mr. DURANLEAU: Yes, under agreement.

Mr. GIROUARD (Translation): Would the hon. minister state to what companies subsidies were granted last year in the province of Quebec?

Mr. DURANLEAU (Translation): To the Quebec Salvage Company.

Item agreed to.

Miscellaneous and unforeseen expenses, $8,000.

Mr. GIROUARD (Translation): What unforeseen expenses were made last year?

Mr. DURANLEAU (Translation): Does my hon. friend refer to the present fiscal year?

Mr. GIROUARD (Translation): Yes.

Mr. DURANLEAU (Translation): Up to February 28 last, we had expended $4,164.

Mr. GIROUARD (Translation): Could the hon. minister supply some details in connection with this amount?

Mr. DURANLEAU (Translation): There are a number of small amounts. On the whole they refer to fees of notaries or lawyers and a few travelling expenses of officials.

Mr. DUPUIS: Will the minister be good enough to give the names of those receiving salaries or fees?

Mr. DURANLEAU: Captain H. W. King; Captain J. O. Gray; A. C. Brown; C. M. O'Brien; C. K. Hanson; W. M. Griffin, K.C.; W. F. O'Connor, K.C.; A. Chassé; J. E. L. Heroux; J. Chevalier; L. Paulhus; R. Langlois, K.C.; W. T. Haydon.

Mr. DUPUIS: That covers the whole country?

Mr. DURANLEAU: Yes.

Item agreed to.

Hydrographic and tidal and current surveys, and to provide for the maintenance and repair of hydrographic steamers, $400,000.

Mr. HANBURY: What is being done in hydrographic work in British Columbia waters?

Mr. DURANLEAU: The work is mostly on the west coast of Vancouver island.

Mr. HANBURY: What is the total equipment available in British Columbia waters?

Mr. DURANLEAU: The charting operations were carried out with the new hydrographic steamer William J. Stewart and the auxiliary houseboat tender, both parties working along the west coast of Vancouver island. The steamer carried out operations in the exposed offshore waters while the houseboat work was confined to more sheltered localities.

Mr. POULIOT: The minister has just referred to a steamboat called the W. J. Stewart. As everyone knows, that name is very improper; he could have been a very respectable citizen but he had a very disagreeable character. The name of the boat should be changed to Alex. Johnston in honour of the former deputy minister, who has not been replaced.

An hon. MEMBER: Why not name it Pouliot?

Mr. POULIOT: It would be more than an icebreaker in that case. I would suggest that the boat has had the name W. J. Stewart long enough and the name should be changed to Alex. Johnston in memory of the last deputy minister of the Department of Marine and Fisheries.

(Translation): Mr. Chairman, I wish to add a few comments in French in connection with this item. The other day, while perusing the last report of the Civil Service Commission, I noted that it was suggested to merge all cartography services of the various departments. This I think would be a mistake because, with modern inventions, more up to date methods are used in making the maps; there are the aerial, marine and ground maps. The marine maps are prepared from all such data.

Aviation plays an important part in the preparation of maps, and I think that those who specialize in this work can hardly be expected to do other work. I wish to ask the hon. minister whether he intends to foster specialization of cartographers or whether each of them is bound to be more or less jack of all trades. It is an important matter because marine maps are so absolutely necessary. The minister was kind enough to forward to my address, some time ago, a very complete map of the river St. Lawrence. This map indicates every reef—the government would be well advised to avoid them!—beacon, harbour, which are continuously useful to navigators not only every day, but at all hours and every minute.

I wish to ask the minister a further question. First, does he intend to encourage specialization in cartography and whether his department takes advantage of aviation and other means to obtain accurate observations in connection with geographical maps. I shall not further insist; however, it is an important matter.

There existed a service in the Interior department where members could have their geographical maps mounted on linen. The other day I was informed by a Civil Service commissioner that the person who looked after this kind of work had been dismissed. Would the minister be kind enough to inform the house whether, in the Marine department one can have maps mounted on linen so as to preserve them longer? It is not an economy to dismiss an employee who mounts maps on linen. Otherwise, the maps get torn sooner, and instead of having to give a person one map, a number of them have to be given out, because it is difficult to preserve them. I draw the attention of the minister to this fact and I trust he will be so kind as to give the house the information required.

Mr. DURANLEAU (Translation): Mr. Chairman, so far as the work connected with maps in the department, we intend to utilize our best qualified men and the most up to date methods.

Mr. POULIOT (Translation): Hear, hear!

Mr. DURANLEAU (Translation): That is the government's policy. I also wish to inform my hon. friend that we take advantage of aviation, whenever possible, in the preparation of our marine maps, especially on the north shore of Quebec. I think we also utilize the services of aviators in British Columbia. I shall give serious consideration to the remarks of my hon. friend.

Mr. POULIOT (Translation): I thank the hon. minister. I would request him to inform the committee whether members who

have geographical maps, which are continuously in use, could have them mounted by employees of his department.

Mr. DURANLEAU (Translation): I shall inquire from the department and shall be pleased to communicate the information to my hon. friend.

Mr. HANSON (Skeena): I want to draw the attention of the minister to a representation made to him in regard to giving assistance under this item in the way of navigation lights and tidal and current surveys on the north end of Queen Charlotte islands at a place known as Whey Point. The fishermen and navigators on the coast have asked that some assistance be given at that point and the minister informed those who inquired and also myself that the matter would have his consideration and that something would be done. It is a necessity in connection with navigation in current and tidal waters on the north end of Queen Charlotte islands and I hope the minister will see that something is done at that place in the near future.

Mr. DURANLEAU: I shall be pleased to look into the matter.

Radio aid to navigation service, to provide for the construction and maintenance of radio ship to shore stations and the general administration of the provisions of the Radio Act and regulations throughout the dominion, $590,550.

Mr. DUFF: Might I ask the minister whether this item is entirely within the province of the Marine department and has nothing to do with the radio commission?

Mr. DURANLEAU: Nothing to do with the radio commission.

Mr. DUFF: Who has charge of this work in the minister's department?

Mr. DURANLEAU: Commander Edwards.

Mr. HEENAN: Is it not a fact that the government has entered into an international agreement with respect to safety of life at sea and that a code has been drafted among several nations? I understand it was designed to assist some of the backward maritime nations. If I am correctly informed, several exemptions have been made by the Dominion government. For instance, an exemption is made in the case of coastwise shipping and of ships that keep off the rocks to the extent of about twenty miles. I would point out to the minister that there is more danger to ships that are closer to the rocks than to vessels that are far out at sea.

Mr. DUFF: There is no doubt about that.

Mr. HEENAN: I think the minister will agree that if he went on the rocks he would be in greater danger than if he were out in the depths. If a ship at sea loses her rudder, there might be a chance of her getting assistance, but if she loses her rudder twenty miles or closer to the rocks, she needs more help than if she were out at sea. Would the minister give us an explanation of this exemption? For many years Canada has boasted of being a progressive maritime nation, in fact, words to that effect will be found on the portals of this building, and it seems to me the Dominion government ought to lead the way in regard to safety of life at sea rather than try to find loopholes in this international code in order to save a few dollars.

Mr. DURANLEAU: I can answer my hon. friend by saying that no important exemptions have been granted which would have the effect of endangering life at sea.

Mr. HEENAN: I have under my hand an article which is based upon an announcement which appeared in the Canada Gazette. Unfortunately the article does not give the date. It states:

Among many exemptions, one of particular importance to Canada was that of ships sailing on fresh water, this excluding the great lakes from the scope of the convention. Coastwise shipping is also exempt.

It goes on to say, again quoting from the Canada Gazette:

(1) Passenger ships carrying less than fifty persons all told, provided they keep within twenty miles of the rocks, and do not sail further than two hundred miles between ports; (2) other passenger ships which were not required to be radio-equipped by the Radiotelegraph Act of 1913; (3) freighters which keep within one hundred and fifty miles of land; (4) all freighters of less than 2,000 gross tons, this limit of exemption to be reduced to 1,600 tons in 1938 unless extended in the meantime; (5) sailing ships; and (6) ships which make international voyages infrequently.

That is taken from The Canadian Unionist, a labour paper that is very much interested in men who follow the sea. If it be correct, the minister ought to recommend to his colleagues that this is a poor way of saving money.

Mr. DURANLEAU: Our regulations are standard, similar to those adopted by the United States and other countries. There is nothing special in our own regulations.

Mr. BRADETTE: I would like to ask the minister what has been done under this item

in regard to navigation in the Hudson strait, Hudson bay and James bay. If my information is correct, there is no way of sending meteorological reports to the northern sections of the country. I know as an actual fact they have to get in touch with maritime ports in Baffin Land and similar sections through broadcasts from Chicago and other United States stations. The government should establish meteorological stations that will cover the whole section of the country including Hudson bay, James bay and the strait. Will the minister tell us of the activities that have been undertaken in the last two years in this regard?

Mr. DURANLEAU: I shall gladly go into the matter with my officials and see if we can remedy the situation.

Mr. BRADETTE: It seems a strange anomaly that at the present time we have to get meteorological reports on Hudson strait from an American station. We should at least have that service from Canadian stations during the summer months. Surely with this big expenditure during the last two years the department could give a certain amount of service in that section. It is absolutely needed.

Mr. DURANLEAU: We have meteorological stations at Churchill, Chesterfield, Coppermine and Nottingham island, from which stations we have reports every day.

Mr. BRADETTE: Here in Ottawa?

Mr. DURANLEAU: Yes, to Ottawa.

Mr. BRADETTE: I know for a positive fact that we cannot get these reports in my section. There must be some fault in the arrangements. If we want to get into contact, for instance, with the Royal Canadian Mounted Police in Baffin Land or in the northern sections of Canada, it has to be broadcast from Chicago or some American station. Surely with the amount that is being expended that service can be given by a Canadian station.

Mr. DURANLEAU: I am told that the radio commission is broadcasting messages to the north all the time.

Mr. BRADETTE: Through all-Canadian stations?

Mr. DURANLEAU: All-Canadian.

Mr. BRADETTE: Does the minister state that positively? In our section there has been much criticism on the ground that these broadcasts have to be sent through American stations.

[Mr. Bradette.]

Mr. DURANLEAU: This is the first time we have heard of it. I am told by my officials that the radio commission broadcasts all the messages through Canadian stations.

Mr. BRADETTE: Will the minister give particulars of work that has been done on these lines in Hudson strait and Hudson bay—the actual work accomplished during the last year in that radio navigation service?

Mr. DURANLEAU: During the last two years my department has built five stations at Churchill, Nottingham island, cape Hope's Advance, Resolution island and Chesterfield, all fitted with direction-finding apparatus.

Item agreed to.

Mr. MANION: Will the minister and the hon. gentleman permit me to reply to a question asked by the hon. member for Kenora-Rainy River (Mr. Heenan)? The hon. gentleman mentioned the coloured ratings on the West Indies ships. I hold in my hand a file dealing with the matter, so the hon. gentleman will understand that this is rather an old question. I shall read some paragraphs from a letter of Mr. Allan, general manager of the Canadian National Steamships, to show the position they take in the matter:

> What these men actually want is to replace the West Indians on the vagabond cruise boats, to which, of course, we have no objection whatever provided (1) they will accept the same wages and (2) we can be assured that the service will not deteriorate thereby. It is most unsatisfactory to have half the crew engaged in Canada and the other half in the West Indies, as this means opening two sets of articles and causes confusion.
>
> I have promised a delegation of these men to give the matter some very serious thought, and if it is possible to work out an arrangement whereby they can be employed I will do so, but we will be in the unfortunate position that in the event of these men leaving in the summer time when these vessels proceed to Montreal, we may have to go short of ratings or depend upon picking up further men when the vessels return to Halifax.
>
> The three eastern passenger vessels, namely the Lady Nelson, Lady Drake and Lady Hawkins, now all carry white ratings. The additional expense to the company in breakage, etc., is averaging just about $500 a trip notwithstanding the fact that the men are paid the same wages as were the West Indians; the service is also falling off and we are changing approximately 40 per cent of the men each voyage in an endeavour to establish a satisfactory service.

In explanation of the last paragraph I may say that the fact was that a good many Canadians, both white and coloured, objected to the fact that there were so many West Indians on these boats, and wished to get the positions. The white Canadians who were

asking for the positions—this is about a year ago—were mostly dining car men who were not accustomed to working on ships. I obtained positions for a considerable number of them on these boats, and it is to them Mr. Allan is referring. In my opinion we should, as far as we can within reason, give both white and coloured Canadians a fair chance to work on these boats, but it must not be forgotten that the West Indian islands pay subsidies to these boats and must be given some consideration. Also there are other points that have been put to me in this file, not by Mr. Allan, but by others, which make it a very complicated question which I prefer not to discuss here in the house, but shall be glad to discuss with my hon. friend on some private occasion, because it deals with matters that do not interest the house as a whole and that may be misunderstood. I assure my hon. friend that as far as I am concerned, and the government, we have endeavoured to get the management of the steamships to look after Canadians both white and coloured, but they make very strenuous objection; and in this letter some paragraphs which I have not read refer to some of the men who signed the letter that I think my hon. friend read before six o'clock, and state that in the case of one he was dismissed for cause. I mention that to indicate to the hon. gentleman the complications in the case. However, I have the matter in hand and will do everything I can to further it.

Mr. HEENAN: I shall be glad to discuss it with the minister.

Radio service, to provide for the general improvement of reception conditions to licensed broadcast listeners, $259,400.

Mr. FACTOR: In connection with this item I should like to draw attention to station CRCT in Toronto. Before the station was taken over by the commission—

Mr. DURANLEAU: If my hon. friend will permit me, this item has nothing to do with the broadcasting stations.

Mr. FACTOR: "For the general improvement of reception conditions to licensed broadcast listeners." I imagine that has to do with ordinary listeners.

Mr. DURANLEAU: As far as interference goes, yes, but not as far as broadcasting stations. That would come under the item concerning the radio commission.

Mr. FACTOR: Do I understand that this item relates to the improvement of general radio reception?

Mr. DURANLEAU: It is for the improvement of reception.

Mr. FACTOR: That is what I am discussing now. The reception from station CRCT in Toronto was excellent until the radio commission took it over. They transferred it to a new wave length, 960, I believe, and now it is impossible to get good reception from that station. For instance, when the Prime Minister was speaking to the Western Conservative Association in London, I tuned in on that station to get the speech and it was impossible to hear the Prime Minister because of the hum and interference. It seems that a certain Mexican station interferes with this station and almost blankets it. I understand that a great many complaints have been made in respect of that interference, and that the technical expert of the department has endeavoured to negotiate with the Mexican government concerning it. I should like to ask what has been done in that regard and if any improvement may be expected.

Mr. DURANLEAU: As I told my hon. friend, this discussion should take place when the estimates for the radio commission come before the committee. The item concerns receiving sets only and interference by power lines and so on. For instance, if telephone lines in Toronto were interfering with reception in the house of my hon. friend, my department would attend to that; but I must say that this item has nothing to do with the difficulties in connection with broadcasting stations and wave lengths which come under the radio commission.

Mr. FACTOR: There is certainly conflicting jurisdiction. As I understand it, this item is for the improvement of reception conditions for licensed broadcast listeners. As a licensed broadcast listener who pays two dollars to the department over which the minister presides, I am entitled to make some complaint about the reception on my radio set. That is exactly the complaint I am making. As a matter of fact this payment is made out of the consolidated revenue fund and is charged to the department. The department is responsible for improving radio conditions and eliminating interference. It is impossible on the present wave length to obtain even fairly good reception of the programs broadcast from CRCT, formerly station CKGW. I should like the minister to explain the purpose of the vote. Is it not to improve the very thing about which I am complaining? If reception is bad it is the duty of the minister, through this vote, to improve it.

Mr. DURANLEAU: This appropriation is to provide for the maintenance and general improvement of reception conditions of licensed broadcast listeners, including elimination, as far as practicable, of preventable interference with reception throughout the dominion. It provides also for expense in connection with the sale of radio receiving licences.

Mr. FACTOR: That bears upon the point I am making. I have received many letters complaining as I am now complaining. They state that reception from the station CRCT is very bad. I should like the minister to explain why he cannot use part of this vote, which is specifically for the purpose of improving reception, to try to eliminate some of the conditions which prevent good reception from that station. Has the minister's department made any investigations or received any complaints about reception from that station?

Mr. DURANLEAU: As has been stated, we have trouble with the Mexican stations, and of course it would be very difficult for us to eliminate them. As my hon. friend knows, last spring a North American radio conference was held in Mexico but nothing of a definite nature was agreed upon. As a matter of fact at the present time we are contemplating the construction of very powerful stations in Canada in order to protect our wave-lengths from Mexican interference.

Mr. FACTOR: The reception from radio station CRCT, is doing incalculable harm to the very principle of public ownership of radio. I have received dozens of complaints from citizens of Toronto complaining about the continuous hum and interference in the reception from that station. Surely it is not sufficient for the minister to say that nothing can be done with the Mexican government. If that is so, it is the duty of the department or of the radio commission to transfer the Toronto station to some other wave length, so that the people in that city will be able to get at least fair reception from the only station there operated by the radio commission. I want to ask the minister if he will be good enough to investigate the matter and, if he finds it impossible to do anything on the present wave length, have the station transferred to some other wave length.

Mr. DURANLEAU: I shall be pleased to refer the matter to the radio commission, and forward the complaints of the hon. member. I am sure the commission will investigate the matter.

[Mr. Factor.]

Mr. MITCHELL: I have no objection to—

The CHAIRMAN (Mr. MacNicol): The hon. member for Témiscouata was on his feet a moment ago, and he should be allowed to speak at this time.

Mr. POULIOT: I would respectfully suggest to the minister not to insinuate anything to the chairman of the radio commission, but to tell him to do this, and to do that, and to say, "Those are my instructions." The minister should speak firmly to the chairman, so that he may understand he is a civil servant and must obey the minister when he is told to do something. The minister should tell him, "You, Charlesworth, do this and do that. You are not to play tricks on me; you will have to listen to me and do as I say, otherwise no more salary for you." Then, the chairman will act at once.

Mr. MITCHELL: Mr. Chairman, I have no objection to any negotiations which may be carried on with the Mexican government, but I do not want to have the wave length at Toronto changed to the disadvantage of wave lengths now existing in other parts of eastern Canada. I know that influence from the city of Toronto is so strong that that city might get almost anything it desired, but, in the community from which I come, situated as it is not far from Toronto, we do not desire any change which while being advantageous to the city of Toronto would be to our disadvantage. That city has been fairly well provided with stations, and I must urge that any possible change in Toronto be to the disadvantage of conditions in Hamilton.

Mr. BRADETTE: Since the hon. member for Toronto West Centre has placed the case for Toronto before the committee, I should like to speak for nothern Ontario. About the end of last October the chairman of the radio commission promised the north country that a high powered station would be installed at Sudbury. From that date I have heard nothing more about it. It is true that the radio commission has established some local stations, one at North Bay, another one at Timmins and on the twentieth day of this month I believe there will be another one at Kirkland Lake. I shall not enlarge upon the situation, because, as the minister said a few moments ago, there will be a full discussion of the matter when the vote for the radio commission is before the committee. I must say, however, that at the present time we have no daylight reception in nothern Ontario so far as national programs are concerned. In the day time, we can get neither Montreal nor

Toronto. The hon. member for Toronto West Centre (Mr. Factor) has said that station CRCT is not giving satisfaction to the listeners in that city, and the statement he has made would apply just as strongly in northern Ontario. Since the change of wave length from 840 to 960 kilocycles some months ago we have not been able to get reception from Toronto in the day time.

Some of the newspapers are urging that the high powered station should be placed between Sudbury and Timmins; others say that it should be on the height of land between Haileybury and Cochrane. One of the newspapers in Kapuskasing, the Northern Tribune, has urged that the high powered station should be established on the James bay slope. I believe these statements will indicate to the committee that so far as our choice of location is concerned, we are not parochial. We want the greatest service for the greatest number of people.

The minister should be seized of the fact that agents sent by the government to collect the licence fee of two dollars have not been able to collect, and have received hundreds of letters from people who have absolutely refused to pay the fee. I do not sympathize with that action, although I know it is impossible for some to pay the fee on account of bad reception. Unless a station of at least 5,000 watts capacity is erected in northern Ontario we will not be able to get reception in the day time outside of that received from local stations. For the last two months we have not been able to get Montreal or high powered stations in other centres. I trust that the minister and his department will review the situation and that it will be found possible to do something for our section, particularly in view of its isolation. We do not receive the daily newspapers until twenty-four or thirty-six hours after they are printed, and it is therefore all the more necessary that we should have good radio reception. If we get it, we are ready and willing to pay the licence fee, but not under present conditions, I repeat, the radio commission will find it almost impossible to collect any fees in our section for the very good reason that we are not getting the service to which we are entitled.

Mr. DURANLEAU: I shall be pleased to report the complaints of my hon. friend to the radio commission. I would also point out that he will have the opportunity to lay his complaints before the committee which has been set up on radio broadcasting and which sat for the first time this morning.

Mr. STEWART (Edmonton): I should like to inquire from the minister whether this semi-dual control which has been tried now for over a year is in his opinion working out satisfactorily. With departmental officials looking after reception, and with the sending stations in the hands of the radio commission, it does seem as if the present system was bound to lead to trouble. I can say quite candidly that the departmental officials must find it mighty hard to give satisfaction. They are the ones who are coming in contact with the radio listeners, and are the ones who receive complaints such as have been made here to-night because it is part of their duty to try to cure just such troubles. Right in this city we have exactly the same trouble with reception. It is not the fault of the department, but is the result of the adoption of wave lengths which apparently conflict with some of the more powerful stations across the line. I am wondering just where we are going to land with this whole radio business in Canada, and whether we are always going to be subject to interference in reception on the part of our neighbours to the south. There are times in Ottawa when it is utterly impossible to get anything like decent reception. It is not the fault of the receiving set or of the officials of the department who are trying to remove interference; it is because our sending stations clash with the much more powerful stations to the south. It does seem to me that something might be done by changing the wave lengths. We certainly did not have this difficulty prior to the radio commission taking control, or at least I never experienced it and never heard of it. We had perfect reception, and these more powerful stations across the line were broadcasting at that time just as they are to-day. But since the change took place we have had a great deal of difficulty. I think the minister might endeavour to see whether we could not return to something similar to the old conditions that prevailed before the setting up of the radio commission.

Mr. FACTOR: I cannot understand why this item is placed in the estimates of the Department of Marine. I was under the impression that the control of radio was entirely in the hands of the radio commission. Surely the general improvement of reception conditions for licensed listeners should be a matter within the purview of the radio commission. Why this dual control? I quite appreciate that the licence fee is paid to the Department of Marine, but when it comes to the changing of wave lengths, which are bound to play a part in reception, control is in the hands of the radio commission, while

reception conditions come under the department. Surely it is an anomalous situation to have the Department of Marine in charge of the improvement of reception conditions and the radio commission looking after the changing of wave lengths, which go to the very root of radio reception. Why is this item under the minister's department instead of under the radio commission?

Mr. DURANLEAU: Under the law as it now exists, only broadcasting is under the control of the radio commission. We have the same system in Canada as that existing in England: one body, the post office, is in charge of the collection of the licence fees from the listeners, and the British Broadcasting Commission has charge of the broadcasting. The Marine department collects the licence fees and eliminates interference, while the broadcasting is in the hands of the radio commission; but both come under the minister.

Mr. STEWART (Edmonton): Might I suggest to the minister that he had better put the whole of this particular branch of his department under the control that was in existence formerly, and let the radio commission select the programs and run that end of it. If there is another year of this sort of thing there will be a very insistent demand that something of the kind be done.

Mr. MITCHELL: Do I understand the minister to say that under this item no questions may properly be asked as to the functions of the radio commission?

Mr. DURANLEAU: The item which concerns the radio commission is No. 233, on page 55, for $1,000,000.

Mr. HANSON (Skeena): My opinion is that the radio commission is an absolute waste of public money. I have on several occasions had to complain of interference and so forth and I have never got any satisfaction from the radio commission. They refer you to the Marine department. When you go there, at least you get a decent and respectable answer. In my opinion the commission should be done away with and the whole matter put under the Department of Marine. Then we would know where to go with complaints. At present we go to the commission and they refer you to somebody else. We have too many commissions anyway, and the radio commission is one that we should do away with. The minister has to make the final decision and the whole matter in my opinion should be left to him.

Mr. STEWART (Edmonton): You can get at him.

[Mr. Factor.]

Mr. DURANLEAU: I would invite my hon. friend from Skeena to lay his complaints before the special committee which has been set up especially for the purpose of hearing complaints as to the functioning of the radio commission under the act.

Mr. HANSON (Skeena): I must say that I have had justice done when I appealed to the minister, and I give the minister and the government credit for that. When I have failed to get satisfaction from the commission I have got satisfaction from the minister, and I thank him for it.

Mr. REID: How many trouble inspectors are there in Vancouver and vicinity?

Mr. DURANLEAU: Victoria and Vancouver fall into the same division. We have two electricians, one chauffeur, one stenographer and two cars.

Mr. FACTOR: How much money was spent from last year's appropriation to improve radio reception in Toronto, and what staff is available?

Mr. DURANLEAU: We are spending in Toronto a total of $15,220.

Mr. VALLANCE: Is the department finding any difficulty in collecting the licence fee of two dollars?

Mr. DURANLEAU: We have had a little difficulty in some sections of the country, but as a rule the citizens are well disposed towards paying their licence fees. As a matter of fact, in certain parts of the country, we have collected more this year than we did last year.

Mr. VALLANCE: The radio commission has been sending out letters advising individuals who had previously taken out licences that their licences are now overdue; was there much of that done by the commission?

Mr. DURANLEAU: Periodical notices are sent out to owners of radio sets who have not renewed their licences, calling their attention to the fact. I think it is the duty of the department to do this.

Mr. VALLANCE: Has the commission agents out collecting licence fees, and if so to what extent? Have there been any prosecutions against individuals who have been operating radios without a licence?

Mr. DURANLEAU: Only one court action was taken this last year.

Mr. BOUCHARD: Has the minister found it possible to stop political interference with the radio commission?

Mr. DURANLEAU: I know of no political interference with the radio commission.

Mr. VALLANCE: A ruling has been made that every individual proposing to broadcast must first submit his speech to the commission; is that ruling always lived up to?

Mr. DURANLEAU: A regulation to that effect was adopted last year, but I cannot say just to what extent it is followed. I do know that all addresses are not submitted to the radio commission.

The CHAIRMAN (Mr. MacNicol): These matters should not be discussed under this item.

Mr. MITCHELL: I take exception to the statement made by an hon. member that the money spent on this commission is wasted. If these were not his exact words, they indicate the purport of his remarks. This commission is in its infancy, and—

The CHAIRMAN (Mr. MacNicol): The hon. member is out of order as far as this item is concerned.

Mr. MITCHELL: An hon. member was allowed to make the observation that this is a waste of money and I desire to take exception to that remark. I have no objection to being ruled out of order, but I think once an observation has been made the opportunity should be granted to another hon. member to express a contrary opinion. This commission is more or less in its infancy; it is a child of this house.

Mr. DUFF: Charlesworth is not in his infancy.

Mr. MITCHELL: Neither are you.

The CHAIRMAN (Mr. MacNicol): The remarks of the hon. member are out of order under this item.

Item agreed to.

Maintenance and repairs to dominion steamers and icebreakers, $1,434,000.

Mr. STEWART (Edmonton): Have not some of the ships on the coastal service been sold?

Mr. DURANLEAU: Those belong to the Canadian National.

Mr. REID: Where is this money to be spent and how many vessels are used?

Mr. DURANLEAU: There are twenty-five vessels in the service, made up of four on the Pacific coast, five on the Atlantic coast, three on the upper St. Lawrence and the great lakes, and the remainder on the lower St. Lawrence and the gulf.

Mr. NEILL: What are the names of the boats on the Pacific coast?

Mr. DURANLEAU: The Estevan, the Newington, the Berens, and the Birnie.

Mr. HANSON (Skeena): They would not be icebreakers because there is no ice out there.

Mr. DURANLEAU: No.

Mr. BRADETTE: Would the icebreaker service in the lower St. Lawrence and the gulf include service for the Hudson bay and strait? Is there any icebreaker service up there?

Mr. DURANLEAU: Yes.

Mr. NEILL: The Newington is an old boat and was never suited to the work it is performing. Is there any hope of having another boat to take her place?

Mr. DURANLEAU: My hon. friend is quite right when he says that that boat is old and should be replaced. We are trying to have the necessary estimate approved to provide for the building of a new boat.

Sir EUGENE FISET: Does the Jalobert come under this vote?

Mr. DURANLEAU: No.

Item agreed to.

River St. Lawrence ship channel dredging: (a) to provide payment for work performed and to be performed by contract, $3,750,000; (b) to provide for the maintenance and operation of the government ship channel fleet and the government shipyard, including all necessary repairs and reconditioning, $1,140,000.

Mr. BRADETTE: Could the minister advise if any negotiations are going on between the United States and Canada in connection with the low water levels occasioned partly by the Chicago drainage canal? As is well known, last year the water level of the St. Lawrence was the lowest it had been in the preceding forty years. I believe that the Chicago drainage canal is to blame to some extent, and I should be glad if the minister would enlighten the committee on the situation.

Mr. DURANLEAU: I have lately organized an interdepartmental committee of engineers to study the question of the St. Lawrence water level. The committee is composed of about seven or eight engineers from the de-

partments of Marine, Railways and Canals, Public Works and the Interior, and they are meeting every week to investigate the whole subject of water levels on the St. Lawrence. Their object is to ascertain the cause of the low level in the port of Montreal and in that river. Of course, the diversion of water at Chicago will come under consideration, and there is a special item in my estimates in that regard, item 134, to provide for the investigation of water levels in the St. Lawrence river, $50,000.

Mr. MORAND: I suggest that when the department is investigating that question it should take into consideration St. Clair lake, which is a low and shallow lake. For the last year the low water has made the whole lake front practically a marsh. There is considerable agitation in the district. It is hard to say exactly what the cause is, but I should like to have an assurance from the minister that when the question of water levels in the St. Lawrence is being considered the great lakes as far as lake St. Clair will also be taken into account.

Mr. DURANLEAU: The scope of the inquiry which is under way does not include that part of the waters, but I shall be pleased to look into the matter to see whether the powers of the committee can be amplified.

Mr. REID: There is an increase of $1,459,650 in the item now under consideration. I wonder why dredging is done under the Marine department in the St. Lawrence whereas elsewhere it is done under the Public Works department.

Mr. DURANLEAU: Only the St. Lawrence ship channel is under the control of the Marine department, the change having been made some years ago—I think it was in 1906. I cannot say what the real reason was; probably it was considered that the Marine department was more interested in navigation matters and it was thought that the St. Lawrence ship channel should be under its control.

Mr. REID: Why the increase?

Mr. DURANLEAU: It is due to the works done last year. We have tried to employ as many men as possible in our fleet and the contractors have done the same.

Mr. STEWART (Edmonton): This is the continuation of a contract. Is it the contract which was let three or four years ago?

Mr. DURANLEAU: Yes.

Mr. STEWART (Edmonton): How much longer will it take to complete it?

[Mr. Duranleau.]

Mr. DURANLEAU: The contract is nearly completed according to the reports of my engineers; all that remains to be done now is to clean up at an expense of about $300,000.

Mr. STEWART (Edmonton): That will complete the contract.

Mr. DURANLEAU: The agreement was passed on May 30, 1930.

Item agreed to.

Construction, maintenance and supervision of aids to navigation, including salaries and allowances to lightkeepers, $1,674,000.

Mr. DUFF: This includes salaries and allowances to lightkeepers. Three years ago, when this government decided to reduce the salaries of all public employees by ten per cent I protested vigorously, not only as that action affected lightkeepers but as it affected every other class of citizen, including judges. At that time I expressed the opinion that it was very poor policy and would not mean anything; I said it would not enable the government to balance the budget. My prophecy has been fulfilled; the money retained from civil servants—lightkeepers, charwomen, elevator men and others—

An hon. MEMBER: And members of parliament.

Mr. DUFF: Yes, and members of parliament; I was opposed to that too, and I was the only one that said so. I said at the time that it was not good policy and would not mean anything, because the very fact that this government gave the lead in the reduction of salaries induced employers of labour all over the country to do the same. It gave them the chance to reduce the salaries of their employees, and to-day we have before the committee which is sitting in this house investigating conditions in different manufacturing plants and other businesses in this country, an example of what this policy has meant. It shows conclusively to my mind that this government is partly to blame for conditions in the sweatshops where poor labouring people work practically for nothing. Now, here are lightkeepers in this country, situated away on rocky promontories and islands scattered throughout the Atlantic, the gulf of St. Lawrence, the great lakes and the Pacific, without facilities for educating their children. Half the time, especially in winter, these children cannot go to school. It is not fair that men in this class, filling responsible positions, most of them receiving very small salaries, should have had their remuneration

cut by ten per cent. Before this item carries I should like to have a statement from the minister so far as he himself at any rate is concerned. We have just passed another item of $3,750,000, representing an increase over the previous year of $1,459,650, and if the minister had sufficient influence with his colleagues to get that increase of a million and a half—I congratulate him on that achievement; I am not objecting to it—then I think he ought to bring his influence to bear in behalf of these employees in his department. He is bighearted and he has a good open countenance, and I suggest to him that he should approach his colleagues at the first opportunity and urge them not to renew the act which has been in force for the last two years, whereby the salary of the Minister of Justice, and my indemnity as well, have been reduced by ten per cent. I plead on behalf of the lightkeepers, because I think the minister should be the first man to take the initial step to urge upon the Prime Minister and other members of the cabinet the restoration to these employees of their full remuneration. If there are any people who are entitled to full remuneration it is these particular employees. Most of them get very small salaries and I would like the minister to ask his colleagues that these salaries be reinstated at one hundred per cent instead of ninety per cent. Before this item passes I should like some assurance from the minister on that point.

Sir EUGENE FISET: I would call attention to the fact that the salaries as included in the item do not provide for the ten per cent deduction because there is no footnote at the bottom as there is in the case of other items. Therefore the salaries are voted in toto.

Mr. STEWART (Edmonton): The deduction is there just the same.

Mr. DURANLEAU: I have listened with keen interest to my hon. friend's remarks. I have the greatest sympathy for the lighthouse keepers, and I fully agree with him when he says that these civil servants have a hard job to perform and should be protected as much as possible. But I would like to remind him that the ten per cent deduction was not made for pleasure; it was made because we thought that for the purposes of economy civil servants should contribute as other citizens are doing towards the reduction of our yearly expenditures. But I can tell my hon. friend that the promise made by the government two years ago and again last year will be kept and the moment business improved sufficiently the ten per cent reduction will disappear. I cannot make any promise for this year; it may be this year, but as soon as possible we will do away with the reduction.

Mr. DUFF: I am very glad to hear the words of the minister. He said that this was done for the sake of economy; that it was not a pleasure to do it. As I said the first year this matter was brought up in the house, it was false economy. I said that it was not in the best interests of the country that the deduction should be made, because the government took $8,000,000 out of the pockets of its employees and therefore that money could not be spent in the country. Then I said that it had an influence with every employer of labour in Canada who wanted an excuse to reduce the salaries of his employees or labourers. In this way the deduction had a double-barrelled effect. It is all very well for the minister to say very seriously—and I know he is sincere—that he will endeavour to do what he can. What I am saying to the minister and what I said before is this: before he got an increase of about $1,500,000 making a total of $3,750,000 for dredging the St. Lawrence, the first thing he should have done was to have the salaries of the lighthouse keepers put back to the one hundred per cent. The hon. member for Rimouski said that the item did not provide for a ten per cent deduction.

Sir EUGENE FISET: There is no footnote.

Mr. DUFF: I know that, but I am afraid this item of $1,434,000 is made up on a basis of ninety per cent of salaries instead of one hundred per cent. Will the minister kindly tell me or the hon. member for Rimouski who is correct?

Mr. DURANLEAU: So far as salaries are concerned, this includes only ninety per cent.

Mr. MacLEAN: Last year when this item was up I brought to the attention of the minister a very unfair situation in connection with lighthouse keepers' salaries, to which the hon. member for Antigonish-Guysborough has referred. There are cases where the department provides living quarters for the lighthouse keeper, and in making the deduction of the ten per cent, not only does it deduct ten per cent from the salary which the lighthouse keeper receives, but it also estimates the value of the living quarters to the man who occupies them and deducts from his wages ten per cent of that estimated value, which is money that he really never gets.

Mr. MACDOUGALL: That is not a statement of fact.

Mr. MacLEAN: It is.

Mr. MACDOUGALL: No, it is not.

Mr. MacLEAN: Well, we will allow the minister to decide. To my mind such a procedure is unfair. It is hard enough for a man to have ten per cent deducted from money he actually receives, but to have an additional deduction made in respect of the estimated value of his living quarters is really treating the lighthouse keeper unfairly. I know this to be a positive fact. The hon. member for Inverness thinks it is not correct, but men in my constituency have come and showed me their accounts and said: We are subject to a reduction of not only ten per cent, but fifteen or twenty per cent. I wrote to the department and that was the explanation, that in addition to the deduction of ten per cent from the regular monthly payments received by them from the department, they were also charged ten per cent on the estimated value of their living quarters. That is extremely unfair and the minister should remedy it.

Mr. DURANLEAU: I am not prepared to admit that it is unfair, because the rent paid by a civil servant is paid out of his salary. There is nothing extraordinary in that. If something is allowed for the residence of a lightkeeper, it is small, as a rule about $200, but it is supposed to be part of his remuneration just like that of any other employee who gets so much salary and pays his own rent. There is no difference at all.

Mr. MacLEAN: The minister imagines he has an argument there, but many of the lighthouse keepers are compelled to live in those residences. They have homes of their own a few miles away in which they would much rather live, but they are forced to live in the lighthouse in order to perform their duties and in many cases they are obliged to keep up a home some miles away in order, as the hon. member for Antigonish-Guysborough has said, that their children may be able to go to school, because in some cases the lighthouse keepers are in places where it is impossible for the children to go to school if they live in the lighthouses. Therefore these living quarters are of no benefit to them; they are forced to contribute ten per cent of the value that the department may put upon those living quarters. I contend that this is absolutely unfair.

Mr. MACDOUGALL: Has there been any change in the regulations regarding lighthouse keepers since my hon. friend supported the former Liberal government in 1922?

Mr. MacLEAN: The answer to that question is that a Liberal government never deducted ten per cent from any man's salary whether he was a lighthouse keeper or anybody else. This is the first government that has attempted to do that, so that the effect was not visible before.

Mr. POULIOT: I remember very well the time I was arguing with the hon. member for Inverness about minimum wage laws and I was telling him that they should have minimum wage laws in Nova Scotia, the hon. member said that they were superfluous. At that time we were fighting for all the labourers throughout the country from the Atlantic to the Pacific, and my hon. friend was not defending the case of the miners who received such small wages in Inverness and other parts of Cape Breton.

Mr. MACDOUGALL: I am not answering any imbecility.

Item agreed to.

Marine signal service, $92,750.

Mr. STEWART (Edmonton): How in the world can the minister cut $6,000 off this very important service, when he has been paring it every year since this government took office? It must be a very important service to navigation.

Mr. DURANLEAU: With the advent of radio we can save the expense of some signal stations and give a better service.

Item agreed to.

Administration of pilotage, $118,000.

Mr. HANSON (Skeena): How many pilots have we in Canada? Is there a fixed yearly remuneration, or is it based on what they collect in each port? I have had many complaints; some pilots, I understand, get up to $20,000 and others are not getting anything, although they are all supposed to perform the same service—take charge of boats that come into certain harbours.

Mr. DURANLEAU: The pilotage districts are: Quebec, with fifty-three pilots; Montreal, with sixty-two; Halifax, twenty-three; Saint John, eleven; Sidney, fifteen; British Columbia, thirty-two, and Churchill, two. They are not all paid on the same basis; some are paid on the tonnage of the vessel and others on the draft of the vessel. It depends on the arrangements made.

Mr. HANSON (Skeena): How much does the highest receive, and how much the lowest, and where is the one that receives the highest and the one that receives the lowest?

Mr. DURANLEAU: There is no salary; the pilot gets what he earns. I know that at Montreal and Quebec there is a pool into which the pilots bring their earnings. They pay the expenses and their superannuation contributions and the rest is divided among themselves. That is what is done as a rule in these pilots' associations.

Mr. HANSON (Skeena): How much would a pilot in Montreal get after all deductions, and a pilot in Vancouver?

Mr. DURANLEAU: I cannot say exactly what they get. I know that the pilot in Montreal having the highest gross earnings during last season got $7,000. But they have to pay their travelling expenses out of that and their superannuation. I think the average net earnings run about $3,500 to $4,000. But I would remind my hon. friend that these pilots do not start earning money until they are over thirty. Apprentice pilots earn practically nothing for seven or ten years. I know assistant pilots who have been in the service for ten years now, and they cannot be admitted as pilots; according to the regulations the number of pilots cannot be increased, as each pilot is supposed to make so many voyages during the navigation season. So long as that average is not exceeded an assistant pilot is not admitted as a pilot. Sometimes a pilot starts earning his living at thirty-five years of age, and then does not work for a great many years as his eyesight must be first class; the moment he cannot pass the eyesight examination he has to retire.

Mr. YOUNG: What do they live on before they start earning?

Mr. DURANLEAU: Well, they get a few dollars. They work as mate or as assistant, and sometimes the assistant gets a little reward from the owner of the ship.

Mr. HANSON (Skeena): I have some figures from Vancouver, and it seems to me ridiculous that men should get such pay. That is why I am asking for these particulars so that I can see whether these figures are right or wrong. I would like the minister also to let us know what a chief pilot for British Columbia or the Pacific coast gets in gross earnings. I have some figures from the statistical department; they must be reasonably accurate, but I would like to have them verified by the minister.

Mr. DURANLEAU: I am not in a position to give the information at the present time, but if my hon. friend has a particular case in mind I shall be pleased to take it up.

Mr. HANSON (Skeena): If the minister has the information as to pilots in Montreal he surely can give it in regard to pilots in Vancouver.

Mr. DURANLEAU: Well, I have the information as to Montreal, but unfortunately I have not got it for Vancouver. I can write to my hon. friend and give him the full information if he desires.

Mr. HANSON (Skeena): I wish the minister would do that.

Mr. HANBURY: Could the minister tell the committee what arrangement the pilots work under in British Columbia? I understand they have some cooperative arrangement, but I am not familiar with the details.

Mr. DURANLEAU: I suppose my hon. friend knows that the pilotage is not compulsory on the British Columbia coast. Some companies have their own pilots; in fact I believe the Canadian Pacific has. I suppose those men are salaried.

Mr. HANBURY: I was not asking the minister for details as to remuneration, but was directing my remarks to regulations controlling pilots in British Columbia.

Mr. DURANLEAU: I should be glad to send the hon. member a copy of the British Columbia pilot regulations.

Mr. HANBURY: I believe thirty-two is the fixed number of pilots. At the same time I should like to know what competition there is when someone wishes to become a pilot.

Mr. DURANLEAU: I shall supply the necessary information.

Mr. POULIOT: At this very moment who is the pilot of the ship of state in this House of Commons?

Mr. DUFF: I notice that the item has been reduced from $218,000 to $118,000. Can the minister explain how he proposes to save that much money?

Mr. DURANLEAU: I believe the hon. member knows that most of the money voted previously was loaned to the pilots' association. At this time they are collecting faster, and do not need so great a loan.

Item agreed to.

Meteorological service, including magnetic observatory, grants of $450 each to Kingston and Montreal observatories and allowance of $360 to L. F. Gorman, observer at Ottawa, $317,800.

Mr. STEWART (Edmonton): May I suggest that the minister ought not to close out his department, because the house is poorly attended on Friday evenings, and there may be some questions which hon. members would like to ask.

Mr. DUFF: The civil vote remains.

Mr. STEWART (Edmonton): Hon. members cannot very well ask questions pertaining to administration, unless the government would permit such questions on the civil vote. If the government will permit them, we could take up this vote.

Mr. POULIOTT: Is this item 149?

The CHAIRMAN (Mr. MacNicol): Yes

Mr. POULIOT: Is it due to the decrease of $75,490 in the appropriation for the meteorological service that we have so much snow this winter?

Item agreed to.

Canadian radio broadcasting service, $1,000,000.

Mr. STEWART (Edmonton): Is the minister going to introduce this item to-night?

Mr. DUFF: It will take a week to discuss the item; we may have to sit on Sundays.

Mr. DURANLEAU: Very well; we will consider it later.

Item stands.

DEPARTMENT OF AGRICULTURE

Publications, $23,039.

Mr. VALLANCE: Why the decrease of over $5,000? How does the minister propose to make the saving?

Hon. ROBERT WEIR (Minister of Agriculture): The sum of $23,039 represents an amount a little greater than that which was actually spent in 1933-34. We expect to be able to carry on with the same amount. Last year we did not spend everything that was voted.

Mr. DONNELLY: Would the minister give the list of publications?

Mr. WEIR (Melfort): I should be happy to supply the hon. member with a list; it is a very long one.

Mr. DONNELLY: Probably it could be placed on Hansard.

[Mr. Duranleau.]

Mr. WEIR (Melfort): Perhaps I did not understand the hon. member's question. This vote is not for the actual publishing or printing of the publications, but provides for payment to the personnel or staff which sends them out. I believe it includes also the cost of envelopes.

Mr. VALLANCE: How many are engaged in this work of sending out publications?

Mr. WEIR (Melfort): In the neighbourhood of twenty-nine or thirty, permanent or regular. Then there is a small temporary staff which from time to time is required to keep up with the work.

Mr. GERSHAW: May I ask the minister how a farmer is to know what publications are available? Is a list supplied to him? Must he write in, or how is he to obtain the information? Further, to whom is the information sent without application?

Mr. WEIR (Melfort): There is a list of publications together with supplementary lists of new publications. Any farmer writing to the department will have sent to him any special publication he wishes, and included in each publication there will be a list of all publications which, if he wishes he may send for.

Mr. McINTOSH: Why is there a decrease in the vote for these publications, if they are all so important?

Mr. WEIR (Melfort): I have explained that there is not an actual decrease. We did not use all the money voted last year, so we are asking for a smaller amount this year.

Mr. GIROUARD: Did I understand the minister to say his department employed twenty-nine or thirty persons to send out the publications of his department?

Mr. WEIR (Melfort): That is correct.

Mr. GIROUARD: What is the average salary paid to these employees?

Mr. WEIR (Melfort): I have not that information before me, but shall be glad to send it to the hon. member.

Mr. GIROUARD: How many publications per month do they send?

Mr. WEIR (Melfort): I have not the information in that form, but shall be happy to supply it.

Mr. DUPUIS: Do I understand that these publications are sent only on request, or does the department send them to public libraries, universities, and so on?

Mr. WEIR (Melfort): There are mailing lists. If a farmer for instance, sends in and asks for a publication his name would be added to the list. We also have lists of libraries, agricultural societies and various associations. We keep those mailing lists and send out the new publications.

Mr. McINTOSH: Is the circulation nation-wide?

Mr. WEIR (Melfort): Yes.

Mr. McINTOSH: In what parts of Canada is the circulation greatest? I should like to know where this special information is going.

Mr. WEIR (Melfort): I think the answer would be where there is the greatest number of farmers.

Mr. BRADETTE: If my information is correct the number of publications has been curtailed in the last few years. As a member of parliament I used to get several more publications from the department than I do now, and these publications were in most cases of great service to the farmers and settlers in our section. I should like to ask if that is the case.

Mr. WEIR (Melfort): I am quite certain that no publications that are available will be refused on request of any person. There is no curtailment in the sending out of publications published for general distribution.

Mr. BRADETTE: I think members of parliament, senators and officials should be placed on the mailing list, because I have found these publications of great service. A member of parliament receiving them can distribute them to the farmers in his riding who are likely to benefit from the information. I think it should be possible for the minister to do that.

Mr. WEIR (Melfort): We shall be glad to include the members of parliament who are not already included on the mailing list.

Mr. DUPUIS: Provided they can read them.

Mr. DONNELLY: I understood the minister to say that this item of $22,000 is not to pay for the publications but for the expense of sending them out. It does not cover the salaries of those engaged in preparing the publications?

Mr. WEIR (Melfort): That is correct.

Mr. DONNELLY: It is just to pay the expense of wrapping and sending them out?

Mr. WEIR (Melfort): Yes, operation costs together with supplies.

Mr. BOUCHARD: I should like to draw the attention of the minister to something that very often happens in my district. We have students taking short courses, and in many instances when we ask for a certain number of publications for distribution to these students our requests have been turned down. I think these publications should be distributed to the students in these short courses. In other instances, a professor in an agricultural institution will ask for a certain number of publications, and in some instances in the past, although not quite recently, his request has been refused. The department will reply suggesting that the students themselves write in for the publication. Now it is sometimes a troublesome thing for a farmer to get a pen and sit down and write a letter, and very often he does not know to whom to send it. I think it would be very much better if the department would comply with these requests for various publications from public bodies and organizers of short courses.

Mr. WEIR (Melfort): There is no reason whatever why that should not be done if the publication is still available. I believe that in the past, including the more recent past, difficulty has arisen through members of parliament as well as people outside asking for large bulk lots. It was felt that there was perhaps a good deal of wastage in that connection. However, I agree with my hon. friend that there is no place where better use could be made of these publications than in connection with university work and short courses.

Mr. McINTOSH: I asked the minister where the circulation of these publications was the greatest. The minister answered, among the farmers. Perhaps he misunderstood my question. I wanted to know in what part of Canada, in what economic area, there is the largest circulation of these publications.

Mr. WEIR (Melfort): My answer was not "among the farmers" but where the farmers are the most numerous, particularly where there is specialization in poultry, fruit and so forth. More publications are sent there as a rule.

Mr. BOWMAN: How often is the mailing list revised?

Mr. WEIR (Melfort): There is a list of publications at the beginning of each year, and as new publications come out a supplementary list is sent along to those receiving

the original list. At the end of each year an attempt is made to combine as far as possible the new publications and the old in a revised list.

Mr. MOTHERWELL: I recall that when the minister first took charge of this work he was very strong on this vote being an important one. He considered that it was very important that the information should be compiled from the various sources and sent out to the farmer on the ground that through the written word more farmers could be reached than in any other way, and with less expense. So strong was his view that he increased the vote in 1931-32 from $31,000 to $38,000, and I think that was commendable, but this year the vote is reduced from $28,000 to $23,000. Is that due to a falling off of applications or to the general financial conditions, shortage of money and such like?

Mr. WEIR (Melfort): As a matter of fact the demand for the publications is increasing. Although the vote has been decreased the number of publications sent out is increasing to a considerable extent. In 1922-23 the number of publications sent out, annual reports, bulletins, pamphlets, circulars, orders and regulations, was 776,906; in 1932-33, over 834,000. Market reports, circulars, press articles and so on were sent out to the number of 817,478 in 1922-23, and 1,497,050 in 1932-33. The mailing lists have also been added to considerably, and that is a very good indication that there is a greater demand for the publications. That demand has been met to a greater extent. The number of names on the mailing lists, special and general lists, in 1922-23 was 308,595 and in 1932-33, 550,907. The number of envelopes addressed, which is also a good index, in 1922-23 was 1,694,252, and in 1932-33, 1,912,696. In 1927-28 there were more envelopes sent out than in 1932-33. That seemed to be a heavy year. Requests for publications from individuals are not as great at the present time as in 1927-28, but the number of the more important publications sent out has increased.

Mr. DUPUIS: May I suggest to the minister that he did not answer the question asked by the ex-Minister of Agriculture. I understood his question to be why there was a decrease in this vote from $28,000 in 1933-34 to $23,000 in 1934-35, and the minister in his reply referred to 1932-33, and not to 1933-34.

[Mr. R. Weir.]

Mr. WEIR (Melfort): As I explained before, the vote for 1933-34 was not all used, and yet all requests were met. The estimate for 1934-35 is for slightly more than what was actually spent in 1933-34.

Mr. DONNELLY: Could the minister give some explanation for the wide fluctuation throughout the years in this item? In the estimates for 1931-32 this vote was for $38,000; in 1932-33 the vote was only $7,500; in 1933-34 it was $28,231, and now we find it is $23,000.

Mr. WEIR (Melfort): That might have been caused by larger amounts being voted than were actually used. As far as I am aware, there has always been a sufficient amount voted to meet the requests of the public for publications.

Mr. DONNELLY: "Might have been" is no answer. In 1932-33 the vote was only $7,500; if that amount was sufficient, why should it be raised to $23,000? There must be some other reason.

Mr. WEIR (Melfort): When the vote was in the neighbourhood of $7,000 it was found that that was not sufficient. Certain publications could not be sent out when requested and they had to be sent out by the various branches of the department.

Mr. McINTOSH: Is it not just a matter of supply and demand?

Mr. WEIR (Melfort): This vote is to pay for the wrappings and the labour of sending out the publications.

Mr. BOUCHARD: It does not include the cost of publication?

Mr. WEIR (Melfort): Not at all.

Item agreed to.

International Institute of Agriculture, $8,500.

Mr. VALLANCE: Is this the institute at Rome?

Mr. WEIR (Melfort): Yes.

Mr. McINTOSH: How is this appropriation spent?

Mr. WEIR (Melfort): A number of countries have agreed that they will each make a certain contribution so that machinery may be set up to receive statistics and information on agriculture from all countries that are parties to the agreement. This information is then sent out to the countries which have contributed. It is an attempt to prevent the wastage which would arise if this work were attempted to be done by each individual country.

Mr. BOUCHARD: Is there a connection between this and the following item which covers the contribution to Empire bureaux?

Mr. WEIR (Melfort): In general principles only. In the one case it is the dominions of the empire; in the other it is international.

Mr. MOTHERWELL: Has the department sent a representative over to the institute meetings at Rome in recent years?

Mr. WEIR (Melfort): We have not sent a representative for some time; we are represented by the representative of the United Kingdom.

Mr. MOTHERWELL: Who is he?

Mr. WEIR (Melfort): I do not recall the name of the last delegate but I shall be glad to give my hon. friend his name later.

Mr. DONNELLY: Do we receive as many publications from this institute to-day as we did back in 1931-32?

Mr. WEIR (Melfort): I could not give a definite answer, but offhand I would say that the number is greater because the work has become more detailed. I shall let the hon. member have that information.

Mr. DONNELLY: In that year we voted $13,500 while this year we are voting $8,500. That is a difference of $5,000, over one-third, and I should like to know if there have been any ill effects from this reduction.

Mr. WEIR (Melfort): I would say, no.

Mr. VALLANCE: How many countries contribute to the institute and upon what basis?

Mr. WEIR (Melfort): Seventy-five countries contribute; they are grouped into five different groups.

Mr. McINTOSH: Are the meetings annual and has Canada a representative at all important gatherings?

Mr. WEIR (Melfort): Either directly or through the United Kingdom representative.

Mr. McINTOSH: They are annual?

Mr. WEIR (Melfort): They have meetings annually.

Mr. VALLANCE: Are the publications which are received from the institute available in the department?

Mr. WEIR (Melfort): Yes.

Mr. VALLANCE: What are they?

Mr. WEIR (Melfort): Examples are the Monthly Bulletin of Agricultural Economics and Sociology, the Monthly Crop Report and Agricultural Statistics, Monthly Bulletin of Agricultural Science and Statistics, and International Bulletin of Plant Protection.

Mr. MOTHERWELL: I recall that four or five years ago the United States practically dissociated themselves from this institute, I have wondered if they have restored their connection and are again sending over regular representatives.

Mr. WEIR (Melfort): They did last year.

Mr. DONNELLY: The minister has named only four or five publications which are received, but there must be a larger number than that.

Mr. WEIR (Melfort): The number is quite large, but it varies from year to year.

Mr. BOUCHARD: A few years ago when this vote was something like $13,000 a number of these publications were sent out free of cost. As a professor of agriculture I had the privilege of receiving copies and I should like to ask the minister if this distribution has been curtailed or if the agricultural institutions and colleges are supplied with these publications free of cost.

Mr. WEIR (Melfort): My understanding is that they still receive them free of cost.

Mr. BOUCHARD: How many copies are sent out?

Mr. WEIR Melfort): I could not give the exact number, but I shall be glad to give my hon. friend that information.

Mr. McINTOSH: The minister says there is at least one meeting annually of the institute, and I think representation at that assembly is important. Could the minister tell us who represented Canada last year and the year before?

Mr. WEIR (Melfort): I have not that information before me. Last year we were represented by a representative of the British ministry, and I believe also the year before although I would not trust my memory.

Mr. McINTOSH: The minister will bring down that information?

Mr. WEIR (Melfort): Yes.

Mr. MOTHERWELL: My recollection is that they meet every other year.

Item agreed to.

Dairying, $234,000.

Mr. MOTHERWELL: Perhaps this would be as good a time as any to remark on the general tendency to decrease practically every vote for agriculture. This year there has been a decrease in every vote but two, and every year we see these votes decreasing and decreasing. This would seem to be a time when agriculture should receive an increase in assistance rather than suffer a decrease. If any of us were sick he would want more care at that time than when he was well. Now agriculture is decidedly sick not only in Canada but the world over; yet we have withdrawn aid from a sick institution at a time when we should be nursing it. That is the complaint I have to make with regard to these estimates. There is a progressive reduction year after year, and if this keeps up, and if my good friend should have the opportunity of presiding over the department another four years, I am afraid the estimates and his department will have disappeared altogether by that time unless something is done to stop the downward tendency. I would convey my remarks as much to the hon. gentleman's colleagues as to himself. Since the revenues are supposed to be improving, and I think they are, I would bespeak a reasonable amount of the increase which is accruing from month to month to be devoted to the Department of Agriculture. I do not know what department will be instrumental in getting Canada back on her feet more than agriculture. That industry represents more people than any other in the dominion. I do not blame the Minister of Finance so much either, because after all it is the Prime Minister who has to say definitely what each department shall receive. It looks to me that the trouble lies between the minister and the Prime Minister so far as this regrettable continuous reduction in estimates for agriculture is concerned. This year it is lower than ever by three-quarters of a million; it is down to what it was about ten years ago, six and a half millions.

I am really getting anxious, wondering where this downward tendency will stop, and I hold the ministry as a whole rather than the Minister of Agriculture responsible for this absolute neglect of the major occupation of the people of Canada. I spoke of this last year and I will not speak harshly about it any more. I merely direct the attention of the ministry to this tendency towards a seeming neglect of the major occupation of the Canadian people. Why it should be I do not know. Evidently the relative importance of this industry has not yet been seized by the government, or it would have been given visibility to, in these estimates, by an upward rather than a downward tendency. I can only express my regret at it as I have done on former occasions, and I hope that the minister and his colleagues present will do something to stop this tendency. I am sure the minister's estimates go to the treasury board much larger than this; I feel confident that they do. I know that the heads of branches must ask for more than they get, and the matter must come in that shape before the ministry and the subcommittee of government called the treasury board. So that the whole government is to be held responsible for this, and I do not think the excuse of low revenues is sufficient to justify the decrease. Canada can never come back until agriculture shows a tendency to come back, and consequently the props should be strengthened under this department instead of being jolted from under it.

Mr. WEIR (Melfort): It is only natural that the hon. member (Mr. Motherwell) should be struck in this way with the reduction of estimates. The test I keep before me each year when the estimates are submitted and agreed to—and so far I have had no difficulty in having the request met—is this that the services in each branch will not be in any way impaired. A large number of reductions have been made possible, for instance by reorganization. I might refer to the live stock branch, but I do not wish to open up this matter here because I should prefer to have the items dealt with item by item. I can assure hon. members however that there has been no depreciation in the services given in each of these votes. In the majority of the votes there has been improved service as a result of reorganization within the particular branch, combining the heads of services, so that it is more flexible, uniting them in a common effort, than had been the case in various divisions before. Perhaps we have given the matter more attention because of the period of economic depression through which we have been passing; it has been necessary for us to endeavour, as we might not have done had it not been for the present financial condition, to make every effort to reorganize in order to save money. But we have always kept before us the one yardstick, namely, that there should be no depreciation in any service rendered agriculture in the various branches. And in most branches the services have been actually strengthened.

Mr. MOTHERWELL: There is something in that, but I am afraid that reason does not quite satisfy my hon. friend himself. He better than anyone else must know that some of the activities of the various branches have been reduced, the staff being reduced, possibly owing to reorganization. However, we will not discuss this particular item, which is not so conspicuous as some others. In the Health of Animals branch, for example, the activities can hardly be as general and widespread in the establishment of restricted areas for instance, as in the past. However, we will leave that vote until we come to it. I think my hon. friend knows better than anyone else that he has been jewing the votes down year by year, pinching off here and pinching off there, until so to speak the work has its eyes sticking out, wondering what is going to happen next.

I know you cannot make a substantial reduction in each of these estimates without affecting the service. You can lop off a few salaries, dismiss a few employees, getting rid of them by reorganization, and while that may effect a small saving I do not know but even that will have an injurious effect on the service. But generally, in the main work of the field men throughout Canada, whether it is one branch or the other, I am afraid you cannot take off four millions in three years without substantially reducing services, some here and some there, all making a considerable aggregate. If it can be done this way, how would it do to make the vote for agriculture a little lower still and save that much more money? I am afraid my hon. friend has come long ago to the point where no further reductions can be made without sacrificing the work to a considerable extent. There is something, possibly, in what the minister says in regard to reorganization, and perhaps some slight saving has been effected there. But to cut the aggregate vote nearly in two and at the same time to maintain the services is a suggestion which I am not quite prepared to accept at its full face value; not that I doubt my hon. friend's statement, but I do not think it can be done by anyone. Nor do I think my hon. friend believes it can be done, if he will analyse the work and compare it with what was in vogue a few years ago. However, maybe we have now come to the bottom of these ruthless cuts. Now that we are looking forward to the salary cuts being restored—the newspapers say there are prospects of it—maybe we have got to the bottom of these successive declines in agricultural appropriations. In other words maybe we have touched bottom in the matter of reduction in the agricultural estimates and another year will see a revival, an upward tendency. If that happens, I shall be the first to congratulate ourselves, the government and the minister.

Mr. WEIR (Melfort): In that connection, as I suggested, I am anxious that each appropriation that appears in the estimates should be dealt with from that test as to just what changes have been made in the service and whether the work is suffering as a result of this. Personally I do not believe it is, and I think it has been possible, due to different things, to reduce the vote without in any way injuring the services. I shall be glad to invite discussion vote by vote along this particular line in reference to the services given.

Mr. BROWN: A few evenings ago, when we were discussing the resolution of the hon. member for Brome-Missisquoi (Mr. Pickel) on hog grading, I said that I proposed to bring to the notice of the house the progress that had been made in dairy products in Manitoba brought about very largely, I believe, because some years ago we adopted and we have since consistently adhered to the principle of cream grading. I do this because we cannot too often emphasize the necessity of maintaining a high quality of all our farm products if we are to win in competition with the world.

About the year 1914 I believe, Manitoba butter was of such a poor quality that it could not be held over in cold storage, but since that time the principle of cream grading has been adopted and to-day no other province stands as high or anywhere nearly as high as Manitoba, if we may judge by the number of prizes that have been won at the various fairs throughout the dominion. I have in my hand a record of the prizes won by Manitoba at fairs held at Brandon, Calgary, Edmonton, Saskatoon, Regina, Vancouver, Ottawa, the Canadian National at Toronto, and London. I would like to put the whole list on Hansard, but I am afraid it is too long, so I shall give the record only for 1933, indicating the percentages of first prizes won by each province exhibiting. The figures are as follows:

Province—	Percentages of first prizes won
Manitoba	74.9
Saskatchewan	5.3
Alberta	10.6
Ontario	8.2
Quebec	....
Nova Scotia	....
British Columbia	1.0

The following is the percentages of all prizes:

Province—	Percentages of all prizes
Manitoba	55.4
Saskatchewan	15.9
Alberta	17.4
Ontario	8.7
Quebec	1.7
British Columbia	0.9

Mr. STANLEY: Was the hon. member at all these fairs?

Mr. BROWN: That takes in all the fairs. A summary of prizes won in 1933 is as follows:

Manitoba

155 Firsts.
154 Seconds.
72 Thirds.
2 Fourths.
1 First highest average score.
4 Highest scores.
1 Championship silver cup.
1 Gold medal Motherwell trophy.
3 Silver medals.
1 Highest total score.

Saskatchewan

11 Firsts.
71 Seconds.
28 Thirds.
1 Second high average score.

Alberta

22 Firsts.
59 Seconds.
39 Thirds.

British Columbia

2 Firsts.
4 Seconds.

Ontario

17 Firsts.
12 Seconds.
31 Thirds.
1 Silver medal.
1 Highest score.

Quebec

3 Seconds.
9 Thirds.

I put that on record because I think we cannot too often emphasize the necessity of maintaining high quality production, nor do I think we can too often emphasize the necessity of grading our farm products. Since the principle of cream grading has been adopted in Manitoba and has been consistently adhered to, the work being done in conjunction with the very effective dairy commissioner in that province, the result has been as I have indicated. Nobody will contend that commercial butter is equal to that which appears at these exhibitions, but the fact that this record has been made is to my mind a strong argument for the maintenance of the grading of our cream and of all our other dairy products.

[Mr. Brown.]

Perhaps just in this connection I might mention poultry. If there is one thing that has been an outstanding success in the west, it is the poultry pools where under government auspices or through the initiative of the government some years ago an expert poultry man was sent out. When we began to ship poultry through those pools some of the stuff that was brought in was so poor the people had to take it home again; it would not be accepted. But the people who brought that stuff in were able to see what good, properly dressed poultry really was, and the consequence has been that the whole standard of dressed poultry has been raised, due undoubtedly to the fact that this system of grading has been adopted. People have been able to see what good poultry is.

Speaking again on the grading of cream, I am not certain of this figure, but I heard it asserted that sixty per cent of the cream delivered to the creameries in Manitoba last year was table cream. People thought at first cream was simply cream, but they very soon learned that when cream was paid for by the grade, it paid them to take good care of their cream. I do not want to cast reflections upon other provinces, but some objection has pretty persistently come from Quebec. I can say this, that from my knowledge of Quebec there is no other country in the world better suited to the production of high quality butter than the eastern townships of Quebec and the Laurentian mountains across the Ottawa river. They have splendid pasture and the very best of running water, and there is no reason why a high quality of butter could not be produced. I know they tell us that it pays them better to produce cream and I know also very large quantities of milk from Quebec go into Montreal as liquid milk; but still I maintain that if the producers adopt and consistently adhere to the principle of the grading of cream as we have done in Manitoba, all the provinces will be able to come somewhere near the level that has been attained in my province.

Mr. GARLAND (Carleton): Does the hon. member give the government any credit for that?

Mr. McINTOSH: Why, certainly.

Mr. BROWN: This was going on long before the present government came into power. I might say that as far back as 1924 the records were as high. I am willing to give the Minister of Agriculture every credit for consistently adhering to the system of grading farm products, and I am only sorry he has not had much support from eastern Canada up to date.

Mr. McINTOSH: A common practice across the way.

Mr. BOUCHARD: From his own side.

Mr. WEIR (Melfort): I am pleased that the hon. member for Lisgar (Mr. Brown) took the time to bring to the attention of the committee the very excellent progress that has been made in the province of Manitoba in this connection. I am sure those of us who for years have been interested in this work have been impressed by the excellent showing that has been made in exhibitions, particularly by a number of the creameries in Manitoba. I think one of the most consistent winners for years has been the creamery at Shoal Lake. But the winning of prizes, although it speaks volumes in itself, has led to a certain misunderstanding with reference to the quality of butter that is produced in the various provinces. With the indulgence of the committee I would like to put on the record the picture as we have it; I think perhaps it is more representative of the industry as a whole in the various provinces.

TABLE No. 5

Creamery butter production and grading including butter scored from samples, 1933

Province	Production lbs.	Graded lbs.	% Total Make Graded	% First Grade	% Of the First Grade Scoring 93 and over
*Saskatchewan	19,440,564	16,783,089	86·3	83·44	49·7
*Alberta	23,542,877	19,310,427	82·0	78·03	41·7
Manitoba	19,591,957	13,886,040	70·9	83·94	37·1
Quebec	62,738,000	23,604,280	37·6	85·67	34·6
*British Columbia	5,047,241	1,290,586	25·6	85·51	71·0
*Ontario	75,438,501	15,456,224	20·5	69·77	28·4
*Nova Scotia	5,966,588	526,632	8·8	27·16	5·1
P. E. Island	2,118,110	76,440	3·6	100·00	62·1
New Brunswick	2,584,714	15,288	0·6	31·50	–
Total	216,468,552	90,949,006	42·01	80·32	39·7

* Provinces which had butter scored from samples.

Considering that Saskatchewan has the highest percentage graded, and has almost fifty per cent high scoring first grade, I am informed that the truest picture of the relative quality of the production of butter on that basis put Saskatchewan in the lead. We have heard it stated on different occasions, and the impression seems to be held by many, that Quebec does not produce on the whole as good quality butter as some of the other provinces—

Mr. DUPUIS: Is that the affirmation of the minister?

Mr. WEIR (Melfort): No, I am just correcting a wrong impression. Quebec has out of a total of 37·6 per cent graded 85·67 per cent first grade, and of the highest scoring first grade 34·6 per cent, which stands well to the top of all the provinces in the whole picture.

Mr. DUPUIS: That is some compensation.

Mr. WEIR (Melfort): And it represents a very large amount of butter.

Mr. GIROUARD (Translation): Mr. Chairman, I wish to immediately associate myself with the former Minister of Agriculture (Mr. Motherwell) in protesting. All admit that, at present, a normal and permanent recovery is impossible in this country unless measures are taken to help and develop agriculture more than what is being done at present. It is most amazing to observe that the Dominion Department of Agriculture, within the last few years, has considerably reduced its estimates. This year, I note that a reduction of $858,000 is made, last year $381,000, and the previous year $3,297,471. Ever since the Minister of Agriculture (Mr. Weir) has been at the head of this department, his estimates have been decreasing from year to year and I recall, a short time ago—last week, I think—that the hon. Minister enumerated what he contended he had done to help agriculture, on the whole, in Canada. I had the opportunity last year and two years ago to ask the Minister of Agriculture what steps he had taken to help the farmers of Quebec and Ontario. I was unable to get a satisfactory reply. I trust that before these estimates are carried the minister will explain what special steps he has taken to help the Quebec and Ontario farmers.

We are, at present, discussing an item which interests the dairy industry and if we are to

put faith in the reports which have been issued, up to date, by the Department of Agriculture, one might be led to believe that our cheese exports, for instance, have greatly increased. It is true that the Quebec and Ontario farmers were told—

The CHAIRMAN (Mr. MacNicol): It is eleven o'clock.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Monday, March 12, 1934

The house met at three o'clock.

UNEMPLOYMENT RELIEF

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, on Friday last the hon. member for St. Denis (Mr. Denis) asked me a question which I confused with another when I replied that there was no correspondence. I was in error for I find that the return had just been completed and sent to the Secretary of State. It is now tabled.

NATURALIZATION ACT AMENDMENT

Mr. J. L. BROWN (Lisgar) moved for leave to introduce Bill No. 31, to amend the Naturalization Act.

Hon. C. H. CAHAN (Secretary of State): Mr. Speaker, on the motion for leave to introduce I wish to state that I have had the opportunity of reading the terms of this bill and there will be no objection to its going to a second reading for consideration, but the terms of the bill are such that in view of our relations with the United Kingdom and other dominions, and in view of pending international action, I do not think the government or this house should accept it.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

THREE RIVERS TERCENTENARY

Mr. BOURGEOIS:

Were there any negotiations between the federal government and the government of Quebec, regarding the contribution of each in connection with the celebration of the third centenary of the foundation of the city of Three Rivers?

2. If so, was there an understanding and was a proportion arrived at as to the share of each government?

3. Has the government received official notice of the motion passed by the legislature of the province of Quebec authorizing the lieutenant governor in council to approve a grant of $100,000 to assure the success of the festivals of the third centenary of the foundation of the city of Three Rivers, providing the federal government contribute an equal amount to the one mentioned above?

Mr. BENNETT:

1. The answer is no, but at a meeting held in Montreal at which the premier of Quebec was present and other gentlemen regarding the Jacques Cartier celebration, the premier of Quebec stated that he proposed to make a grant to Three Rivers of $100,000, and subsequently he said that that was dependent upon the federal government making a like contribution.

2. There was no understanding for there had been no negotiations and no discussion of the matter until it was mentioned as above.

3. So far as I am at present advised no formal or official communication of the passing of that legislation by the legislature of Quebec has been received.

POST OFFICE BUILDINGS

Mr. YOUNG:

1. What is the total investment of the federal government in post office buildings throughout the dominion?

2. What rent, if any, does the Post Office Department pay for the use of these buildings?

3. What rent is paid by departments, other than the post office, for post office buildings not publicly owned?

4. What amount is paid by the Department of Public Works for fuel, light, water, janitor service, and other expenses (not including rent) on public buildings used for post office purposes?

5. What revenue is lost to the Post Office Department through the carrying of government or franked mail, free?

Mr. STEWART (Leeds): To obtain the information asked for in this question would take a great deal of time and research, and it may not be possible to give the hon. gentleman the information that he desires after all that labour has been undertaken. I would suggest that he allow the question to stand and discuss the matter with myself and the officials of the department with a view to seeing whether we can meet his desires in a reasonable time.

Mr. SPEAKER: Question stands.

APPOINTMENT OF TRANSLATORS

Mr. CHEVRIER:

1. Has the government, or the Civil Service Commission appointed any permanent or temporary translator or translators, during the past six months, up to date?

2. If so, for what department, commission or bureau have these translators been appointed; what are their names, age and salaries?

Mr. CAHAN: I think the answer to this question was given on February 14 last, at page 613 of Hansard, in reply to an inquiry from the hon. member for Portneuf (Mr. Desrochers). If that information is not satisfactory the hon. gentleman will perhaps state exactly the additional particulars he requires.

CHAMBLY CANAL REPAIRS

Mr. RHEAUME:

1. Was the cost of the work done at Chambly canal, last fall, by the federal government, paid out of the unemployment relief funds?

2. How many workmen were employed on the said work?

3. How many hours per day and at what rate per hour?

4. What was the place of residence of each employee?

5. On whose recommendation were they appointed?

6. Was the cost of the work done recently on the locks at St. John by the federal government paid out of the unemployment relief funds?

7. How many workmen were employed on the said work?

8. What was the place of residence of each workman?

9. How many hours per day and at what rate per hour?

Mr. MANION: May I point out to the hon. gentleman that neither of these works was done as unemployment relief work. It was work done in the ordinary course of repairs. I would suggest to you, Mr. Speaker, that perhaps the hon. gentleman would allow the question to drop with that information, and if he wishes further information in regard to my answer and will ask for it in another form I shall be glad to supply it.

Mr. SPEAKER: Dropped.

NORTH BAY FEDERAL OFFICE

Mr. HURTUBISE:

1. Has the Department of National Defence, aviation branch, an office in North Bay, Ontario?

2. If so, when did it start to function and what are the main functions of that office?

3. How many are employed in that office, and what are the names, duties and salary of each?

4. What was the former address and occupation of each employee at the said office?

Mr. SUTHERLAND:

1 and 2. There is no office of the aviation branch of the Department of National Defence at North Bay. The establishment at North Bay is an office for the general administration of unemployment relief projects between Reay and Tudhope. This office commenced to function on the 14th June, 1933.

3 and 4.

Name	Allowances*	Duties	Former address	Former occupation
G. L. McGee.....	$100 per month	Superintendent	Toronto	Construction Supt., Civil Engineer
E. A. Hanley.....	$50 per month	Accountant	Ottawa	Bank Manager
Lt. Col. J. Larkin.	$60 per month	Stores Officer	Ottawa	Military Officer
A. B. Holand.....	$40 per month	Draughtsman	Toronto	Civil Engineer
N. Allen.	$60 per month	Surveyor	Ingersoll	Civil Engineer
G. W. Smith.....	$40 per month	Supply & transport	Weston	Civil Engineer
J. C. Lemieux....	$40 per month	Chief Clerk	Haileybury	Electrician
S. Hines	$40 per month	Cook, Class "B"	North Bay	Cook
A. Poland	$30 per month	Storeman	Cobalt	Mechanic
R. G. Middleton..	$30 per month	Storeman	Toronto	Salesman
R. Gagne	$20 per month	Clerk	North Bay	Clerk
N. V. Peltier.....	$20 per month	Clerk	North Bay	Clerk
E. Smith	20 cents per day	Labourer	North Bay	Truck Driver
P. Sniderhan	20 cents per day	Labourer	North Bay	Labourer
W. Hines	20 cents per day	Labourer	North Bay	Clerk
V. Poland.....	20 cents per day	Labourer	Prescott	Draughtsman

* Accommodation, subsistence, clothing and medical care in kind, and the undermentioned amounts in cash.

SEED LABORATORY ANALYSTS

Mr. GAGNON:

1. What number of analysts of the female sex were employed in each seed laboratory in Canada during February of the years 1930, 1931, 1932, 1933 and 1934?

2. Has the federal Department of Agriculture such seed laboratories and how many of these laboratories are there in each province of the dominion?

Mr. WEIR (Melfort):

1.	1930	1931	1932	1933	1934
Sackville	0	4	3	2	2
Montreal	6	6	5	6	4
Ottawa	7	7	7	7	5
Toronto	9	10	10	10	8
Winnipeg	8	8	7	7	7
Saskatoon	4	6	6	6	5
Calgary	7	8	6	7	7

2. Yes. One at each point listed in question 1.

BRITISH COLUMBIA—FEDERAL LOANS

Mr. PLUNKETT:

1. What amounts of money has the province of British Columbia received as direct loans from the federal government for each of the following months: November and December, 1933, and January and February, 1934?

2. What amounts of money has the province of British Columbia received for unemployment relief from the federal government for each of the following months: November and December, 1933, and January and February, 1934?

Mr. CAHAN:

1. November, nil; December, $435,000; January, $1,000,000; February, nil.

2. The dominion has paid to the province of British Columbia $48,943.37 with respect to unemployment relief expenditures made by the province and municipalities during the month of November, 1933, and $666.97 with respect to unemployment relief expenditures made by the province and municipalities during the month of December, 1933. There have been no accounts received from the province as yet covering unemployment relief expenditures for the months of January and February, 1934.

ENGLISH POUND—CANADIAN EXPORTS

Mr. MOTHERWELL:

1. What was the average value of the British pound in each month from October 1, 1931, to June 1, 1933, when expressed in Canadian money?

2. What was the total value of Canadian exports to Great Britain during each month from October 1, 1931, to June 1, 1933?

[Mr. Sutherland.]

Mr. STEVENS:

1. The average value of the British pound in each month from October 1, 1931, to June 1, 1933, in Canadian currency, was:

1931— Months	
October	$4·3823
November	4·1909
December	4·0923
1932—	
January	4·0280
February	3·9588
March	4·0638
April	4·1732
May	4·1570
June	4·2050
July	4·0755
August	3·9749
September	3·8472
October	3·7228
November	3·7596
December	3·7866
1933—	
January	3·8466
February	4·0994
March	4·1345
April	4·2340
May	4·4979

2. The total value of Canadian exports to United Kingdom each month from October 1, 1931, to June 1, 1933, was:

1931— Months	
October	$20,355,212
November	21,299,890
December	16,605,019
1932—	
January	9,871,271
February	10,238,056
March	10,755,324
April	7,275,569
May	12,172,302
June	11,371,590
July	16,088,350
August	17,454,056
September	19,492,417
October	26,886,091
November	19,232,731
December	17,333,923
1933—	
January	12,626,028
February	10,262,214
March	14,165,748
April	5,975,013
May	17,876,891

UNEMPLOYMENT RELIEF—ROAD BUILDING

Mr. LAFLECHE:

1. Has the federal government contributed to the work done on highway No. 1 in the village of Disraeli from 1930 to 1934, inclusive?
2. If so, what amount has it paid?

Mr. GORDON:

1 and 2. In accordance with the terms of the agreement entered into between the dominion and the province of Quebec respecting unemployment relief, the province submitted the following schedule of proposed works which received federal approval on December 28, 1933:

Wolfe county—Highway No. 1, parish of Disraeli, blasting of rock in order to straighten and widen the road near the village of Disraeli, and other improvements—To remedy unemployment at Disraeli village and parish.

Total estimated cost, $5,000.

Total estimated labour cost, $4,000.

Man-days work provided by project, 2,500.

Basis of contribution, 50 cents per man-day.

Dominion proportion, $1,250.

No accounts have as yet been received from the province with respect to the works provided by the schedule above referred to.

UNEMPLOYMENT RELIEF—RICHMOND-WOLFE

Mr. LAFLECHE:

1. Has the federal government contributed a certain amount for the work done during the month of November, 1933; December, 1933, and January, 1934, in Beaulac and Garthby villages, Wolfe county?
2. If so, what is this amount?

Mr. GORDON:

1. No.
2. See reply to No. 1.

COUNTERVAILING DUTIES—SUGAR

Mr. MERCIER (St. Henri):

1. Has clause 80, in Bill 95, providing for countervailing duties on the sugar content of imported confectionery to offset the effect of the sugar tax, ever been enforced by the Department of Customs and Excise?
2. If not, why?
3. How many pounds of confectionery have been imported since Bill 95 was passed: (a) from the United Kingdom; (b) from all other countries?
4. What has been the percentage of increase or decrease against the same months in 1932, in the weight of confectionery imports from the United Kingdom for the months from March to December, 1933, inclusive?
5. What has been the percentage of increase or decrease for the month of January, 1934, against January, 1933?
6. What was the average price for import of imported confectionery in January, 1933, and also in January, 1934?

Mr. MATTHEWS:

1. Regulation issued March the eighth, nineteen thirty-four, effective March twelfth, nineteen thirty-four.
2. Answered by No. 1.
3. Imports of confectionery coated with or containing chocolate; sugar candy and confectionery, n.o.p.; candied popcorn, candied nuts and sweetmeats, entered for consumption in Canada, April 1, 1933, to February 28, 1934:

	pounds
(a) From United Kingdom..	2,740,253
(b) From all other countries..	264,223

4. Imports as above from United Kingdom, April 1 to December 31, 1932 and 1933, and percentage increase in 1933:

	pounds
April to December, 1932.	2,111,502
April to December, 1933.	2,415,225

Percentage increase in 1933, 14·4 per cent.

5. Imports as above from United Kingdom, months of January, 1933 and 1934, and percentage increase in January, 1934:

	pounds
January, 1933..	59,098
January, 1934..	169,675

Percentage increase, January, 1934, 187·1 per cent.

6. Average price of imports as above from United Kingdom, months of January, 1933, and January, 1934:

	cents per pound
January, 1933..	14·6
January, 1934..	11·4

QUESTIONS PASSED AS ORDERS FOR RETURNS

SALE OF TREASURY BILLS

Mr. SANDERSON:

1. What amount of treasury bills were sold by the federal government in the following years: 1918-19-20-21-22-23-24?
2. To whom were they sold in each year?
3. What rate of interest did they carry in each year?

FEDERAL LOANS

Mr. SANDERSON:

1. What was the amount of loans sold by the federal government in the following years: 1918-19-20-21-22-23-24?
2. What was the price of issue in each year?
3. What was the rate of interest in each year?
4. What was the yield to the investor in each year?
5. What was the cost of flotation in each year?

DUTY ON CHEMICAL FERTILIZERS

Mr. FAFARD:

1. What is the custom tariff on mixed chemical fertilizers imported from the United Kingdom and the United States?
2. What is the custom tariff on non-mixed chemical fertilizers imported from the United Kingdom and the United States?

3. What is the quantity of non-mixed chemical fertilizers imported from the United Kingdom?

4. What is the quantity of mixed chemical fertilizers imported from either the United States or the United Kingdom?

Mr. MATTHEWS: Return tabled herewith.

GOVERNMENT PUBLICATIONS

Mr. BERTRAND:

1. How many volumes, pamphlets, bulletins, circulars, folios, etc., were published for distribution, in the English language, during the fiscal or calendar year 1933, by the following departments: (a) Department of Immigration; (b) Department of Mines; (c) Department of Colonization; (d) Labour department; (e) Department of Agriculture; (f) Finance Department; (g) Public Works Department; (h) Department of Justice; (i) Department of External Affairs; (j) Department of Pensions and National Health; (k) Department of National Defence; (l) Department of Solicitor General; (m) Department of Secretary of State; (n) Department of Marine; (o) Department of Fisheries; (p) Department of Railways and Canals; (q) Post Office Department; (r) Department of National Revenue; (s) Department of Interior; (t) Department of Indian Affairs; (u) Auditor General's Department; (v) Department of Trade and Commerce; (w) different commissions, such as Radio, Civil Service, Railways, Tariff, etc.?

2. How many volumes, pamphlets, bulletins, circulars, folios, etc., were published for distribution in the French language, during the year 1933, in the departments and commissions mentioned in question No. 1?

RAILWAY PASSES

Mr. ARTHURS:

Referring to answer to a question of Mr. Duff, pages 696-7, Hansard: Total passes issued in 1930 were 744,480. Passes issued to dependents of members, senators, government employees and press were given as 11,078.

1. What was the number issued to each of the four classes mentioned immediately above by each railway company in 1930?

2. How many passes were issued to the same classes by each railway in 1933?

3. How many passes under the classification "other trip passes," mainly to railway employees and dependents were issued in 1933?

4. Do applications for dependents' passes have to be filled in in a form similar to that required for members and senators?

MOTIONS FOR PAPERS

MILITARY PENSIONS

Mr. MACKENZIE (Vancouver) (for Mr. Ralston):

For a copy of all letters, telegrams, correspondence and memoranda since January 1, 1933, between the Canadian Legion and the Board of Pension Commissioners or the Canadian Pension Commission, respecting action taken or to be taken in connection with review of pensions or deductions from or suspensions of pensions to recover alleged overpayments of pension, claimed to have resulted from alleged illegal marriages.

[Mr. Fafard.]

Motion agreed to.

Mr. MACKENZIE (Vancouver) (for Mr. Ralston):

For a copy of all letters, telegrams, correspondence and memoranda since January 1, 1933, between the Canadian Legion and the Minister of Pensions and National Health, respecting action taken or to be taken in connection with reviews of pensions or deductions from or suspensions of pensions to recover alleged overpayment of pensions claimed to have resulted from alleged illegal marriages.

Motion agreed to.

Mr. MACKENZIE (Vancouver) (for Mr. Ralston):

For a copy of all letters, telegrams, correspondence and memoranda since January 1, 1933, between the Minister of Pensions and National Health and the Board of Pension Commissioners or the Canadian Pension Commission, respecting action taken or to be taken in connection with review of pensions or deductions from or suspensions of pension to recover alleged overpayments of pension claimed to have resulted from alleged illegal marriages.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS—EMPLOYMENT OF MR. ROLAND GAMACHE

Mr. LARUE moved:

For a statement showing:—

1. The periods of time during which Mr. Roland Gamache, of Sayabec, worked on the Canadian National Railways from December, 1920, until 1927.

2. The salary received during each of these periods.

3. For a copy of all correspondence between the Canadian National Railways authorities at Campbellton, and Mr. Didace Gamache, in connection with Mr. Roland Gamache, during the years 1923-24-25-26.

4. For a copy of all correspondence between the Canadian National Railways authorities at Moncton and Campbellton, and Mr. Roland Gamache, during the years 1920 to 1933.

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, I have no objection to the order passing but I would suggest to the hon. gentleman that as the railway consistently refuses to give information of this kind I cannot see that there is any advantage in having the order passed. I have not consulted the railway with respect to this particular matter but I know very well that they have refused on several occasions to give such information.

Mr. SPEAKER: Dropped.

CANADIAN NATIONAL RAILWAYS—STEEL RAILS

Mr. HOWARD:

For a copy of order in council P.C. 1285, dated July 28, 1933, and order in council

P.C. 126, dated July 27, 1933, guaranteeing certain advances to the Algoma Steel Corporation re manufacture of steel rails for Canadian National Railways.

Mr. RHODES: Mr. Speaker, the hon. member for Sherbrooke (Mr. Howard) has made an error in his motion. The date of the first order in council should be June 28, 1933, instead of July, and the number of the second order in council referred to should be 1526 instead of 126. With these changes being made, there is no objection to the motion.

Motion as amended agreed to.

Mr. HOWARD:

For a copy of order in council P.C. 1229, dated July 28, 1933, covering grant of $13,439.28 to the Dominion Steel and Coal Corporation, re interest on cost of steel rails for Canadian National Railways.

Mr. RHODES: This motion should be amended to read June 28, 1933, instead of July 28.

Motion as amended agreed to.

CANADIAN PACIFIC RAILWAY—ADVANCES OF $60,000,000

Mr. HOWARD:

For a copy of order in council P.C. 1076, dated July 2, 1933, guaranteeing advances to the bank to the extent of sixty million dollars, on behalf of the Canadian Pacific Railway.

Mr. RHODES: Mr. Speaker, I might point out to the house that this order in council has been not only filed but embodied in Hansard. It was placed there by the Prime Minister (Mr. Bennett) on January 30, and will be found at page 99 of Hansard. Under these circumstances I trust that the motion will be dropped.

Mr. HOWARD: This order in council was not fully embodied in Hansard of January 30, and so far as I have been able to ascertain it has never been filed. I made inquiries in this connection on Thursday last.

Mr. RHODES: There is no objection to producing a copy but the officials advise me that it has been fully embodied in Hansard.

Motion agreed to.

LEASING OF NO. 2 GRAIN ELEVATOR

Mr. MacINNIS:

For a copy of all correspondence, letters, telegrams and other documents, exchanged between the Department of Marine or any other department of the government of Canada, the Alberta wheat pool, the pool central selling agency, J. I. McFarland, or any officials of the above companies and the Vancouver harbour commissioners or any of their officials, relative to the re-leasing of harbour board No. 2 grain elevator for the crop year 1933-34.

Motion agreed to.

RIDING MOUNTAIN PARK—SALE OF BEER

Mr. BROWN:

For a copy of all letters or communcations, passing between the Minister of the Interior, or any of his officials, and any member of the Manitoba government or the Manitoba liquor commission, with reference to the granting of a licence for selling beer in the riding of mountain park.

He said: There is evidently an error in the printing of this motion; it should read Riding Mountain park instead of the Riding of Mountain Park.

Motion as amended agreed to.

TARIFF BOARD

REFERENCE TO SUPREME COURT OF RIGHT TO MAKE RULINGS ON POINTS OF LAW AND FIXING OF VALUES.

On the orders of the day:

Hon. W. D. EULER (North Waterloo): Mr. Speaker, I should like to ask a question of the Minister of Finance (Mr. Rhodes) based upon an article which appears in this morning's papers. The article states that it is the intention of the government to make a reference to the supreme court with regard to the jurisdiction of the tariff board in connection with dumping duties on goods imported under the British preference, and I should like to know whether this report is accurate.

Right Hon. R. B. BENNETT (Prime Minister): This matter arises out of an appeal taken to the privy council with respect to the matter, the judgment in which has not yet been given.

WHEAT AGREEMENT

On the orders of the day:

Mr. JOHN VALLANCE (South Battleford): Mr. Speaker, on one or two occasions during this session the Prime Minister (Mr. Bennett) has made a partial statement regarding the wheat agreement entered into by Canada at the recent wheat conference. This statement was always made with the understanding that at some other time he would make a more complete and final statement. I wonder if he is prepared to make that statement at this time?

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, so far as I am at present advised and as I indicated the other day to the hon. member for Weyburn (Mr. Young), the present condition is that it is the intention of the three legislatures to introduce tomorrow bills covering this matter and in the event of that being done, I propose to make a statement with the permission of the house.

DEATH OF LORD ABERDEEN

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, apparently the observations made in this house with respect to the Marquis of Aberdeen appeared in the British press and I consider it my duty to indicate to the house the following message which was received from the Marchioness of Aberdeen:

Deeply sensible of your tribute to Lord Aberdeen.

Convey grateful thanks to House of Commons.

TECHNICAL EDUCATION ACT

BILL TO EXTEND AVAILABILITY OF BALANCE OF APPROPRIATION

Hon. W. A. GORDON (Minister of Labour) moved that the house go into committee to consider the following proposed resolution:

That the Technical Education Act be amended to provide that any balance of the ten million dollars appropriated under the act, unexpended on the 31st March, 1934, shall remain available during any one or more of the five succeeding fiscal years, but no portion thereof shall be paid to any province after the 31st day of March, 1939.

Motion agreed to and the house went into committee, Mr. Morand in the chair.

Mr. MACKENZIE KING: Mr. Speaker, I should like to know just what act is referred to in this resolution. The Technical Education Act was passed in 1919 and was amended in 1929. There was another act, known as the Vocational Education Act, which was passed in 1931, after the present administration came into office. As I understand it, the act of 1931 has never been put into force and I should like to know if it is the act of 1919 that is referred to.

Mr. GORDON: The right hon. gentleman is correct in his statement. The Technical Education Act was passed in 1919 and provided for an appropriation of $10,000,000 to be divided among the provinces as indicated in the act. Six of the provinces have spent their appropriations but three have not. In 1929 the act was amended to extend its provisions until the end of the fiscal year, 1934 and this bill contemplates a further extension until 1939 in order that the moneys unexpended by the three provinces may still be available to them. It has no reference to the Vocational Act which was passed in 1931.

Mr. HEENAN: Have any payments been made out of the 1931 Vocational Act?

Mr. GORDON: No.

[Mr. Bennett.]

Mr. HEENAN: I rise at this juncture not to object at all to the extension of this bill, because I think I can say for those on this side of the house that we are thoroughly in accord with the minister and the government in extending the Technical Education Act another five years. But in order that the house may understand what progress has been made in the direction of assisting technical eduction I wish for a moment or two to review what has transpired in this house and this parliament with respect to contributing to the progress of technical education. In 1910 a commission was appointed by the government of the day on the recommendation of the then Minister of Labour who is now leader of the opposition. The commission was formally appointed on June 22, 1910 and finally reported on May 31, 1913. The commission recommended at that time that there should be an appropriation of $3,000,000 per year over a period of approximately ten years, or $30,000,000 altogether. Notwithstanding that fact the government of the day took no action on the recommendation of the report until 1919, and instead of accepting the report of the commission, recommending $3,000,000 a year, the government then appropriated $1,000,000 a year, or $10,000,000 for a ten year period. The agreements under these contracts lapsed in 1929, and I had the honour as Minister of Labour of that day of introducing a bill to extend the act a further five years so as to enable the provinces that had not earned their portion of the grant to do so. At that time there had been, lapsed and unexpended, a total of $2,602,286.51. That would represent amounts to which the various provinces were entitled as follows: Prince Edward Island, $133,000 in round figures; Nova Scotia, $381,000; New Brunswick, $119,000; Quebec, $498,000; Ontario, nil, because Ontario had earned her proportion of the $10,000,000; Manitoba, $537,000; Saskatchewan, $705,000; Alberta, $73,000; and British Columbia, $153,000.

That was the way the matter stood when we introduced the bill to extend assistance to technical education in 1929. I did not catch what the minister said, but it appears that now there is one province that has earned the total amount. Did I understand him rightly?

Mr. GORDON: Three.

Mr. HEENAN: Three have earned the whole amount?

Mr. GORDON: Three of the provinces have not yet expended the moneys voted for them.

Mr. HEENAN: Then six of the provinces have earned their total amount. What I want to point out to the government is this. During the election of 1930 this was one of the specific promises that were made by this government to the electors of the country; they undertook, if elected, to carry on assistance to the provinces in connection with technical education. I can remember well that in my own riding the Conservative candidate promised that there would be technical education in almost every village or hamlet in the district. The government, after the election in 1930, introduced a measure known as 21-22 George V, chap. 59. That act was assented to on August 3, 1931, and now we are informed by the government that not one penny has been paid to the provinces under the act.

I wonder whether the government imagine that they can continue indefinitely this method of deceiving the people in this country. Had the government, after passing this act in 1931, in order to carry out the agreements, made the appropriations that should have been made for three years alone, they would owe the provinces at the present time $2,602,000; but instead of giving them that, instead of carrying out their election promises made in 1930, they are now extending the act another five years in order to give only three more provinces the opportunity of earning their share of the $10,000,000 appropriated in 1919.

That is all I rise to say. I say to the minister and the government that we on this side of the house are in full accord with the extension of this Technical Education Act; but speaking for myself—I do not know what other hon. members will say—I deplore the continued method of deceiving the people as was done by passing an act in 1931 and not giving them one penny under it.

Mr. MACKENZIE KING: Apropos of the Vocational Education Act, which is allied to this one, how does the government justify the position of leaving the act on the statutes and not presenting a report to parliament under its provisions, as required by the act itself, or making any payments under the act?

Mr. GORDON: I think the report of the Labour department makes reference to the report required to be tabled under the act; I think it does, but I am not sure. But it is not information to the members of the house to know that no moneys have been voted nor spent under the Vocational Education Act. It is purely a question of finance, and I think there are few members of this house who would not unreservedly say that this is legislation, both the Technical Education Act and the Vocational Education Act, which should receive a considerable measure of support from all members; although I believe that in the past when these measures were before this house certain mild criticism was offered as to the method of devoting federal moneys towards matters that seemed to be strictly provincial in character. For many years I have been interested in technical education and the people in the part of Canada from which I come have taken advantage of the help granted by the province and the dominion in so far as help was granted through the medium of that legislation, to as great an extent as has been done in any other part of Canada. As a result we have there, apart from the universities, three of the finest technical mining schools that there are on this continent.

Again answering the right hon. gentleman, I can admit frankly that the operation of The Vocational Education Act so far as expenditure of money under it is concerned, has been purely a matter of finance and certainly has not been due to any lack of interest on the part of the government.

Before I sit down I should like, for the benefit of members who may be interested, to place upon Hansard the figures. The original amount was $10,000,000. The provinces of Ontario, British Columbia, Alberta, Quebec, New Brunswick and Prince Edward Island have completely appropriated the money to which they were entitled. The balances due the other provinces as of December 31, 1933, as are follows:

Nova Scotia	$130,561 45
Manitoba	356,312 59
Saskatchewan	166,088 75

Mr. MACKENZIE KING: I am afraid the minister is not familiar with the report of his department, because if he looks into it he will find that it has no reference to the Vocational Education Act. I took occasion to look at the report very carefully to see whether there was any mention of the act and there being none, I took the opportunity to look at the act itself to see what it said with respect to a report to parliament. The provision in the act was that an annual report should be made to parliament. The act was passed in 1931 and we have had no report to parliament from that time to this, but we now have this particular resolution introduced to make it appear that the government is really continuing to aid technical education. The minister says that this is simply because

of the financial difficulties of the time, but he will recall that when the Vocational Education Act was before parliament, we on this side pointed out very strongly that that was not the time to introduce a technical education or vocational education act, which amounts to the same thing, and that the government would be better advised to discover what they had available in the way of finances for assisting the provinces before asking parliament to enact the legislation. I think the protest that was made at that time about proceeding with undue haste in the exactment of that particular measure has been proven to be amply justified. The Vocational Education Act contains the following provision:

> The minister shall make an annual report on or before the thirty-first day of March on the work done under the provisions of this act, containing such information and particulars as the governor in council may prescribe, and such report shall be submitted to both houses of parliament by the minister within fifteen days of the presentation of the report, if parliament be then sitting, and if not, then within fifteen days after the opening of the next session of parliament.

That is section 7 of chapter 59, 21-22 George V, an act for the promotion of vocational education in Canada. The minister has not presented a single report to parliament under that act since it was passed and the reason is that the government has done nothing whatever under the Act. But to-day the government comes forward with this resolution apparently wishing it to appear that it really wants to do something for technical education in Canada. All the government is doing is to renew what remains of a renewal that was made by the late administration in 1929 of an act which was passed in 1919.

Mr. BEAUBIEN: What was Manitoba's proportion of the $10,000,000 provided for in the act that was passed in 1919?

Mr. GORDON: The amount paid Manitoba was $363,433.97 and there was a balance due as of December 31, 1933, $356,312.59. The amount would be the total of those two sums.

Mr. BEAUBIEN: I think the total amount for Manitoba under the 1919 act would be around $700,000 and during the last twleve or fifteen years all Manitoba has been able to expend would be about $363,000, leaving a balance of about $356,000. Manitoba was in a far better position to spend the first $363,000 than she will be from now on. That province is entitled to that amount and I think all the provinces are entitled to their proportionate amounts according to population. The majority of the provinces have spent their appropriations. Manitoba—and I am speaking of it because I know it best—finds itself in a position where it is hard to keep its primary schools open and for the next four or five years will not be able to take advantage of the extension of this act. In many districts the primary school situation is rather difficult; taxes are not coming in and yet the young people must get a certain amount of education. Is there no possible way whereby the minister could allow Manitoba to use a proportion or the whole of the amount that is due to help that province to carry on its primary education. Technical education is a very fine thing. I am in favour of technical education, but when you cannot get that kind of education, you certainly should have some primary schooling. Therefore I ask the minister who knows conditions existing to-day in western Canada, whether there is any possibility of allowing Manitoba that has probably the largest amount coming to it under the act of 1919, the privilege of using that money or part of it for primary school education.

Mr. GORDON: Manitoba, like the other provinces, becomes entitled to the money when it conforms to the terms of the act. I quite agree with the remarks of the hon. member who has just taken his seat that technical education is rather a comprehensive term, but it is interpreted in the act and if Manitoba can conform to what the act intended, of course there would be no hesitancy, so far as the government is concerned, in making the money available.

Mr. BEAUBIEN: If Manitoba and these other provinces have not been able to conform to the provisions of the act which was passed in 1919, amended in 1929 and that will again be amended after the legislation founded on this resolution passes, so as to spend their full allotted amounts, surely the minister must admit that it will be much harder for them under present conditions to conform to the provisions of the act. The point I am trying to make is that when the act of 1919 was passed, I understand the amount allotted to each province was pro rata the population. The other provinces that the minister has mentioned have spent their full amounts. The people of the whole dominion contributed $10,000,000, under this act but certain of the provinces have not been able to spend their allotted proportion in accordance with the provisions of the act, and will not be able to do so. But why should they be deprived of the amount which was allotted to them, and to-

wards which all the people of Canada contributed, when they find themselves in the position to-day that they are unable to keep their primary schools going? I think they are entitled to that money, and that the minister should make some provision whereby they may spend it where it is more needed.

Mr. WOODSWORTH: As I understand it, the present item has to do with the extension of the time during which the provinces may take advantage of the federal arrangements. Speaking as a representative of one of the Manitoba constituencies I feel that we must express our appreciation of the action of the government in taking action along that line. There can be no doubt it is a good move. I could not in this corner catch very clearly the remarks of the leader of the opposition; however I would say that it seems to me that especially at this time of unemployment, some more vigorous policy might be expected from the dominion government with regard to vocational work. Very many of our young people are being forced out of public schools at an early age, a great many of them cannot get beyond the public school, some never get even as far as the high school, and when they go out from school they find no opportunity to secure work. There is the hope that within a year or two there may be some little improvement in that situation, but in the meantime what are we to do with all these young people? I should think that the Labour department might very well put forth some effort to provide for them to secure a better education so that when employment does present itself they will be able to take advantage of the opportunity, and be prepared for a higher grade of employment than they can fit themselves for at present. If these young people are allowed to drift out on the streets in all probability they will contract bad habits, some of them will become criminals, in any case their ability to work will steadily deteriorate. It would seem to me that the relief measures that are in vogue to-day might be supplemented or replaced by a grant for vocational work. I have known in my own city of unemployed boys being gathered together in some of the schools and trained in the evenings in manual work, and during the summer time instructed in managing little garden plots and that kind of thing. This was done by school principals who had the welfare of the boys at heart. Unfortunately the school boards were not in a financial position to give much help, so these efforts have gradually petered out. It would seem to me that it would be wise for the federal government to extend these grants at this time under this act and make it possible for boys to continue in school for another year or two and thus be better equipped when opportunities for work return.

Mr. COWAN (Long Lake): The hon. member for Provencher (Mr. Beaubien) is absolutely wrong when he says that the province of Saskatchewan and other provinces do not know how to spend this money and cannot spend it. Give us the money and we will spend it. The facts are that this act was passed in 1919. I happened to be in the house at the time. I remember it quite well; we all supported the idea of establishing technical schools throughout Canada. Coming to the province of Saskatchewan however, we found this difficulty, and it happened in other provinces; they held that in a rural community there is no opportunity for a technical school to succeed, and for several years the local government, which was a Liberal government, could not be prevailed upon to take advantage of this act. I know that I, as a member of a collegiate board, was one of a deputation which waited on the premier, and he told us definitely that if we could educate the sons of farmers in farming he would support us. This was several years after we had passed this bill. But we could not prevail upon the government to adopt it then. Subsequently they did adopt it, but we had lost several years, and that was all due to Liberal listlessness, nothing else. Had they accepted the offer of the Union government of that time we would not have been $200,000 behind to-day. I believe they now owe $200,000. I know that in Regina the finest building and the finest institution is what is commonly known as the "Tech." attended now by hundreds of young people; you could not prevail upon Regina to do without the Tech.

As far as we are concerned we want that money. We want it, and we shall spend it according to law. We want our allotment in common with the rest of the dominion. If my hon. friends can prevail upon the house to have the privileges of this act extended it will be the first time I ever have agreed with them. I say without hesitation that we have sent too many of our young men and women into the common labour market through lack of adequate training for more skilled work. Therefore I say that we should get the money, and in particular that Saskatchewan should be given the money that is coming to it, and which will be spent.

Mr. BEAUBIEN: I think my hon. friend from Long Lake (Mr. Cowan) misunderstood me. I cast no reflection upon the province of Saskatchewan. I do not want to get into any controversy with my hon. friend—

Mr. COWAN (Long Lake): You had better not.

Mr BEAUBIEN: My intention was to help Saskatchewan, not do it harm. What I am trying to urge upon the minister is to permit the provinces to extend technical education in some other form. In the province of Manitoba we have a very fine agricultural college, but it is very hard for the province, with its present population and the subjects taught in that college, to keep up that institution. What I am urging is that Manitoba and the other provinces that have not spent their money under the 1919 act should get their full share and be able to spend it in 1934-35.

Mr. GERSHAW: It has been pointed out here that the primary schools in many cases can hardly get enough support to keep going. We from the west know that that is the situation. A great number of young people at this time, having gone through the schools, find there is no opening for them in useful occupations. Therefore I think we should urge the minister to make some change in the present regulations. Regulations which may have been quite suitable in 1919 do not accord with the situation as it is now. There have been many changes. At that time it may have been quite possible for senior pupils to move from their homes in outlying parts of the province and attend a technical school in some centre, but now such a thing is far beyond the means of many. I would like to inquire of the minister if there is a possibility of so changing the act that those in the more remote parts may be enabled to take advantage of this grant, and that the provinces may have this money to assist them in their educational work.

Mr. GORDON: I shall review the act, particularly with respect to the interpretation of technical education, and get in touch with the authorities of the various provinces which have not spent their moneys, with a view to seeing if these moneys can be applied as the act contemplates.

Mr. LUCHKOVICH: Did I understand that Alberta has already spent its share under the act?

Mr. GORDON: Yes.

[Mr. W. D. Cowan.]

Mr. LUCHKOVICH: How much did that amount to?

Mr. GORDON: $678,524.40.

Mr. MACKENZIE KING: May I ask the minister just how the government finds it possible to suspend the operation of the act of 1931 from year to year without getting the approval of parliament so to do? The act is there; it is an act of parliament. How does the minister manage to evade carrying out the provisions of the act?

Mr. GORDON: I thought I made it clear a few moments ago, when I told the right hon. gentleman that the reason the moneys have not been provided under the act was purely a matter of finance. We have passed through some rather difficult times since that act was passed, and that is the sole reason why the moneys were not provided.

Mr. MACKENZIE KING: I quite understand that, but that does not answer my question. As I understand it, under this act the government is not given power to say when the act is to come into operation. According to its provisions the act was to come into operation the moment it was passed. If the funds were found inadequate it seems to me the government would have to repeal the measure, but so long as the statute is there it is the business of the government to carry it out. In other words, the ministry is not superior to parliament in the matter of saying whether or not an act shall be carried out simply because they have not as much in the way of funds as they would like to have.

Mr. GORDON: In answer to my right hon. friend perhaps I had better turn to the act of 1931. Section 3 sets out the amount appropriated and section 4 states:

> The payments to be made to any province shall be conditional upon an agreement being entered into between the minister and the government of the province as to the terms, conditions and purposes on and for which the payments are to be made and applied, and such agreements shall be subject in all cases to the approval of the governor in council.

Then the act goes on to say that the payments shall be in proportion to population, and section 5 outlines the regulations which may be passed by the governor in council defining vocational education and so on. So far as I am aware, and I believe my information is correct, no province has applied to the government under the terms of this act. No agreement has been entered into; nothing has been done. It may easily be that the prov-

inces have recognized the difficulty in which they together with the federal government have found themselves since this act was passed, but at all events, as I said a moment ago, no agreements have been entered into and so far as I am aware no advances have been made by the provinces asking that an agreement be entered into.

Mr. MACKENZIE KING: The minister says that no province has made application and that no agreement has been entered into and he would lead the house to believe that this was because the provinces were in some way indifferent or were unwilling to enter into an agreement. May I ask the minister if it is not a fact that as soon as the act was passed he or his predecessor in office, whoever was Minister of Labour, directed that a circular should be sent to all the provinces saying the government had decided that they would not enter into any agreements with the provinces under the provisions of the act at the present time? I may say to the minister that I have seen that circular.

Mr. GORDON: I am not aware of it.

Mr. MACKENZIE KING: It is quite apparent that this is one more matter concerning his department of which the minister is not aware. I want to point out that this circular should have been presented to parliament in a report such as is called for under the provisions of this act. Section 3 states:

> A sum is hereby appropriated from the consolidated revenue fund of Canada of seven hundred and fifty thousand dollars per annum, for a period of fifteen years, from which payments may be made annually to the government of any province for the purpose of promoting and assisting vocational education.

The last section of the act, which I read a few moments ago, states that the minister shall lay before parliament, within fifteen days after it meets, a report of what has been done under the act. The minister's department sent a circular as soon as the act was passed telling all the provinces that the government had decided that, because there were so many demands on the treasury at that time, they would not enter into any agreements. Now the minister says that no province has applied and no agreement has been entered into, that perhaps the provinces did not think it worth while or realized that times were hard. The fact of the matter is that the present government told the provinces that they would not enter into any agreements under the act. No agreements have been entered into under it, and to conceal their action in the matter the government have made no report whatever to parliament. So they have violated another provision of the act in not presenting such a report.

Resolution reported, read the second time and concurred in. Mr. Gordon thereupon moved for leave to introduce Bill No. 32 to amend the Technical Education Act.

Motion agreed to and bill read the first time.

ROYAL CANADIAN MOUNTED POLICE

Hon. HUGH GUTHRIE (Minister of Justice) moved the second reading of Bill No. 22, to amend the Royal Canadian Mounted Police Act.

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

On section 1—Definition.

Mr. GUTHRIE: When this bill was in the committee certain questions were asked which I was not able to answer at the time, and I promised to obtain the information and have it available when the committee went into committee again. The first question was by the hon. member for Charlevoix-Saguenay (Mr. Casgrain), who inquired if anyone is specially charged with the administration of the marine section in the province of Quebec. I have secured the following information in reply to that question:

The administration of the marine section in the province of Quebec, west of cape Chat, is under the command of the Officer Commanding, Royal Canadian Mounted Police, Montreal, who has a commissioned officer at Quebec, P.Q., to carry out his instructions. East of cape Chat, the marine section operating in the province of Quebec is under the command of Assistant Commissioner C. Junget, Royal Canadian Mounted Police, Halifax. The land forces of the preventive service who operate in the province of Quebec and who cooperate with the marine section are under the command of the Officer Commanding, Royal Canadian Mounted Police, Montreal, and the Officer Commanding, Royal Canadian Mounted Police, Fredericton.

My hon. friend from Vancouver (Mr. Mackenzie) asked for information in regard to the increase in the personnel of the force

during the last number of years. I have obtained that information for the hon. member, and it is as follows:

	No. of officers and men
1925	977
1926	963
1927	1,004
1928	1,087
1929	1,199
1930	1,245
1931	1,351
1932	2,348
1933	2,515

Mr. MACKENZIE KING: In connection with the figures just given, when was it that the dominion took over some of the work of policing the provinces?

Mr. GUTHRIE: We took over Saskatchewan in the year 1928, and the other five provinces in 1932.

There was a further question asked by the hon. member for North Waterloo (Mr. Euler) in regard to the amount of pension for members of the mounted police who were formerly members of the protective service. The answer to that question is that all members of the Canadian Mounted Police are granted pensions based upon their mounted police pay. As a general rule the pensions for former members of the preventive service will be higher under the Royal Canadian Mounted Police Act than under the Civil Service Superannuation Act because under the police act the pension is based on both pay and allowances.

Mr. VENIOT: Referring to the province of New Brunswick, under whose jurisdiction are the land forces and the sea forces? I think the sea forces are under Mr. Junget.

Mr. GUTHRIE: The smaller vessels and the land forces in New Brunswick are under Superintendent Salt at Fredericton. The larger vessels and those equipped with wireless which ply the waters adjacent to Nova Scotia are under the control of the officer commanding at Halifax.

Mr. VENIOT: If it is in order, I wish to draw the attention of the minister to the administration of the patrol system under the mounted police in the waters of the Baie des Chaleurs in the province of New Brunswick. I have reason to complain of the manner in which this service is carried on. I do not make this complaint on second-hand information but from first-hand personal observation. The vessels patrolling the Baie des Chaleurs reach Bathurst harbour and remain there idle for sometimes two and three and four days at a time while smuggling is going on in what is called rum row off Miscou island in the Baie des Chaleurs. Upon making inquiries I was informed that the reason why these vessels come into Bathurst harbour and remain tied up at the wharf—I have seen them there two at a time, with their wireless apparatus—is that they are awaiting news from the airplane service in the Baie des Chaleurs. If those vessels are there to prevent smuggling, they should not be tied up at the wharf miles away from where the smuggling is going on. I may say that there has been more smuggling done in the Baie des Chaleurs last year and the year before than at any other time in the history of those waters, and there has been less detection and fewer seizures made by the preventive service than ever before. That is not because there has been less smuggling because, as I said before, there has been more, but because the patrol and protection has been less effective. I should like to see that smuggling stopped in the Baie des Chaleurs because it affects the mentality of our fishing fleet. It places in their way the temptation to visit rum row and bring in smuggled liquor at the end of the week when they are returning from the fishing grounds, and in this way demoralize to a great extent the fishing fleet of the county of Gloucester. No doubt the same is true of other sections of the province lying further to the north.

I make this statement not on second-hand information. I have seen these patrol boats myself, lying idle in Bathurst harbour for two or three days at a time. I have seen them from my own bedroom window when I was ill at home. I draw the minister's attention to this state of affairs and ask him to look into it and see that in future these patrol boats be kept out in the bay instead of sheltering in Bathurst harbour miles and miles away from the scene of the smuggling.

Mr. GUTHRIE: I am very much obliged for the information which the hon. member has just given in regard to the situation in the Baie des Chaleurs, but I must say that his information is not quite in accord with the information that has been supplied to me just now.

Mr. VENIOT: I can substantiate what I say.

Mr. GUTHRIE: I will be very much obliged if in some instance my hon. friend could give the dates on which the preventive boats were tied up at the wharf as he describes, because each boat has to maintain a

log and we could very easily ascertain just where each of them was at any particular time. There is no doubt that in rough weather there are occasions when these boats will be tied up in the harbour. They are small boats and are not too seaworthy. It must also be remembered that these boats have jurisdiction so far as smuggling is concerned only up to what we call the three-mile limit. Any boats other than Canadian boats cannot be interfered with beyond the three-mile limit.

Mr. VENIOT: I know that.

Mr. GUTHRIE: Another bit of information which was given to me is that we maintain in the Baie des Chaleurs three boats of the customs preventive service whereas formerly there was only one. According to my information these boats are actively engaged in the prevention of smuggling. In recent years there have been many more seizures than formerly. The records are what I have to go by in making that statement.

Mr. VENIOT: Produce the records.

Mr. GUTHRIE: When the mounted police estimates are before the committee I shall be very glad to produce the records and other details. If my hon. friend can give me any further information with regard to the boats which he claims have been laid up at the wharf when they should have been out looking for smugglers, I shall be glad to have it. I can then verify his information with the records of the department and lay the results before the committee when the estimates are up for consideration.

Mr. VENIOT: It would be very difficult to give the dates but I do know that in the month of July last year and in the months of July and August the year before these boats were laid up in Bathurst harbour. There are three boats patrolling Baie des Chaleurs and at one time two of them were laid up in Bathurst harbour. The sailors were parading the streets of Bathurst having a good time while smuggled liquor was landed right at my own back door.

Some hon. MEMBERS: Oh, oh.

Mr. VENIOT: My property goes down to and into the sea for 250 feet.

An hon. MEMBER: That is worse still.

Mr. VENIOT: There is a landing place and liquor was brought into the harbour and landed on the shore during the night while these vessels were lying at the wharf. These are the facts and I am prepared to substantiate them under oath. I do not care what the log books may show, these boats were laid up during those months and the days I have mentioned. My eyesight is good and I can tell when they are laid up and when they are not. All I need to do is to look out of my bedroom window to see these sailors parading the streets of Bathurst night and day and having a good time while liquor is being smuggled and landed at my own back door.

Mr. GOTT: If, as the hon. member says, these boats are idle I should like to suggest to the minister that one should be put on patrol work in lake Erie to be officered by Royal Canadian Mounted Police men. American fishermen are continuously crossing the line from the beginning to end of the season. Around Pelee island they come over to such an extent that Canadian fishermen fear to go out to lift their own nets. I hope the minister will accept this as a constructive suggestion and if there is no need for these boats down where the hon. member lives, he might transfer one of them to lake Erie.

Mr. EULER: Has the customs cruiser Margaret been disposed of?

Mr. GUTHRIE: She was put out of commission and sold by public competition. She was considered to be too expensive for the purpose.

Mr. MARCIL: I understand that there is divided jurisdiction in Quebec in connection with the excise service. Montreal has jurisdiction down to Cap Chat in the county of Gaspe; Halifax takes over jurisdiction at that point and covers the counties of Gaspe and Bonaventure to the centre of Baie des Chaleurs while Fredericton takes over jurisdiction on the other side to the south. Gaspe is a long way from Halifax and I think the jurisdiction over this district should have its headquarters at a point nearer than Halifax.

Mr. GUTHRIE: Fredericton has jurisdiction over Gaspe, over the sea as well as the land forces.

Mr. MARCIL: Could the minister give me some idea as to what is being done in connection with smuggling in the counties of Gaspe and Bonaventure? I agree with what the former minister has said as to this practice demoralizing the fishermen. These boats stay out in the open and exchange liquor with the fishing boats and I know of a number of cases where it has had a most disastrous effect. I should like to know to what extent smuggling is being controlled in

these counties. If the minister is not prepared to give this information to-day, perhaps he could let me have it when the other estimates are being considered.

Mr. GUTHRIE: Every reasonable effort is being made to stop the smuggling which undoubtedly has gone on on this coast for a great many years. Perhaps there will always be some smuggling but in recent times more seizures have been made than at any time in the past. Seven seizures have been made in the last few months on that particular coast involving over 500 individuals. Informations have been laid at the city of Quebec in a great many cases, a large number of prosecutions have taken place and many convictions have been obtained. This incident probably involves the largest seizure that the force has been able to make so far. There is no doubt that the ramifications of the smuggling ring are very intricate but it is felt that the backbone of the institution has been broken at last and that it will not be as difficult in the future to control the situation. We are preparing an improved marine service for preventive work. It has been found that the boats previously engaged in the prevention of smuggling have not been large enough or speedy enough to perform satisfactory service. The craft of the bootleggers have been able to out-distance us time and time again but we have under way a program for the construction of a speedier type of vessel. By the opening of spring or at least by midsummer we hope to have boats in these waters which will be quite as speedy as, if not speedier than, the smugglers' craft. In this way it is hoped that we shall be able to control the situation much better in the future than has been the case in the past.

Mr. MACKENZIE (Vancouver): How will these new boats be apportioned between the Atlantic and Pacific coasts?

Mr. GUTHRIE: I understand that the present program is to use all the new boats on the Atlantic coast.

Mr. EULER: Is any use made of the aeroplane service?

Mr. GUTHRIE: We cooperate with that service and it has been found to be very valuable. An aeroplane flying over smugglers' row seems to have a very excellent effect but the largest benefit is derived from the information which this service transmits as to the location of the various suspected vessels.

Mr. EULER: Is that a constant service?

Mr. GUTHRIE: For eight months in the year.

Mr. MACKENZIE (Vancouver): Who is in charge of that branch?

Mr. GUTHRIE: Squadron Leader Higgins of the air force.

Mr. EULER: I should like to inquire as to the system of moieties under which officers are rewarded through the payment of a percentage of the value of the seizure. I understand that that system has been changed. What is the present arrangement?

Mr. GUTHRIE: The old system of moieties, with respect to anyone effecting a seizure or giving information resulting in a seizure, has been modified to a very large extent. The individual does not now profit as a result of the fine or of the seizure, but the money which formerly went to the individual is now pooled and goes into a trust fund for the benefit of the force.

Mr. EULER: Including officers of headquarters staff?

Mr. GUTHRIE: Including all members of the force; that is under the authority of an act passed last session.

Mr. MARCIL: The impression of the people in my part of the country is that the way to do away with smuggling is to reduce the duty on liquor, thus making smuggling unprofitable. The United States by the repeal of prohibition have discouraged smuggling, and I would point out to the minister that if smuggling were not profitable it would disappear overnight. I am old enough to remember the time on the Gaspe coast when fishermen would go to St. Pierre-Miquelon and come back with the odd bottle, sometimes a dozen, and no one would bother about it. It was in 1897 under the late William Paterson that steps began to be taken actively against smuggling in the lower St. Lawrence. Now St. Pierre-Miquelon has gone out of business. The distillers and those interested in the trade in Ontario and Quebec have switched off from St. Pierre-Miquelon; they do not go there any more. There would be no smuggling in Gaspe and Bonaventure if it were made unprofitable, so that instead of spending large sums of money to fight smuggling, if the minister would use his influence to have measures adopted to make smuggling unprofitable he would put an end to the practice.

Mr. GUTHRIE: There is no doubt that our high taxes are very conducive to smuggling, and the situation may become aggravated

with the low taxes which the United States government has proposed in connection with liquors. It may be that the result of that legislation will be rather to increase smuggling in Canada than to reduce it. There is no doubt that if the suggestion of my hon. friend from Bonaventure were put into effect a large amount of smuggling in liquor might vanish, but on the other hand a large amount of revenue would vanish likewise from the treasury of the dominion.

Mr. HEAPS: Earlier in the discussion the minister gave the number of members of the mounted police force for last year. How many members of the old provincial police force are included in the numbers he gave?

Mr. GUTHRIE: About 90 per cent of the former provincial police forces were taken on the strength of the Royal Canadian Mounted Police when the agreements were made with the various provinces.

Mr. HEAPS: What was that number?

Mr. GUTHRIE: At the moment I cannot give the number. This bill does not relate to matters of that kind, but when the estimates come up a few days hence I shall be very glad to have information in detail in regard to all the provinces. Just now I have before me only the totals.

Mr. SPENCER: The minister said that 90 per cent of the provincial forces had been taken on the new force. Are the other ten per cent taken care of largely by pensions?

Mr. GUTHRIE: Those who were not absorbed into the Royal Canadian Mounted Police were provided for by the provinces in which they had formerly served. No grant was made from this force.

Mr. EULER: What proportion of the old preventive force, when it was under the direction of the Department of National Revenue, was absorbed into the Royal Canadian Mounted Police?

Mr. GUTHRIE: About 90 per cent were taken on the new force.

Section agreed to.

On section 2—Appointment of deputy commissioner, etc.

Mr. MACKENZIE (Vancouver): What is the alteration in this section?

Mr. GUTHRIE: The only change is to recognize the rank of detective inspectors, which we never had before, and also two assistant veterinary surgeons, one at Regina and one at Ottawa.

Sir EUGENE FISET: Will these assistant detective inspectors be appointed to the preventive force while they remain in the mounted police?

Mr. GUTHRIE: No; they are for general service in the force. They may not be on preventive work.

Sir EUGENE FISET: Will the non-commissioned officers employed at present in the protective service be entitled to the rank of assistant inspector?

Mr. GUTHRIE: They will be entitled to it; there is no increase in pay in connection with it.

Sir EUGENE FISET: I wish to direct the attention of the minister to the situation in the Rimouski district. In charge of that very large and most important district is a non-commissioned officer who, in the exercise of his duties, has succeeded in winning the respect of the local population to such an extent that I should like to pay him the compliment of acknowledging here that he has done his work in a most excellent manner. Unfortunately he is only a non-commissioned officer and for this reason is rather badly handicapped in dealing with local judges, magistrates, the mayor and other important citizens in the district. The very fact that he has not a commission is, I say, rather a handicap, and I strongly commend to the minister the meritorious service of this man. I think his name is Sergeant Brunet. I have heard from his superior officers, from the officer administering the local land force in Quebec, Captain Gagnon, and others who speak extremely highly of him, and I have letters of commendation on his behalf from the local clergy and from the municipal and judicial authorities. I take this opportunity therefore of bringing his case to the attention of the minister.

Mr. GUTHRIE: I am very glad indeed to have my hon. friend's commendation of the work of the force in his district. In regard to Sergeant Brunet, I think my hon. friend is well aware that he has recently been promoted to the rank of sergeant in the force in recognition of the excellent service he has rendered.

Mr. EULER: Is that portion of the mounted police having to do with preventive work under the Department of National Revenue in connection with smuggling segregated from the rest of the force? Do the men in that particular branch always operate in preventive work, or are the various members of the force interchangeable?

Mr. GUTHRIE: The great majority of the former preventive force is retained in that particular work, though some of them have been removed or they are engaged in the general work of the force.

Section agreed to.

On section 3—appointments of constables, trumpeters and buglers, etc.

Mr. MACKENZIE (Vancouver): Has the minister decided what the new ranks in the marine section shall be?

Mr. GUTHRIE: The new ranks will be decided by the governor in council and I believe the matter is already before the governor in council for that purpose.

Mr. MITCHELL: The new section reads:

Boys not less than fourteen years of age.

Are any boys engaged in the preventive service?

Mr. GUTHRIE: No. The minimum for ordinary service in the force is twenty-one years of age; men will not be accepted under that age, but I believe trumpeters are accepted at fourteen. There are no trumpeters in the preventive service.

Mr. MITCHELL: Is there any difference in ranks and ratings between the preventive service and the regular police force?

Mr. GUTHRIE: In the marine section they will all have naval ranks. In the land section there are the ordinary ranks applicable to the Royal Canadian Mounted Police.

Section agreed to.

On section 4—Powers and duties of force.

Mr. MACKENZIE (Vancouver): Would the minister kindly explain subsection (2) of section 4? There is an exception made for the Yukon territory in regard to duties under or in connection with any municipal bylaws, unless authorized by the governor in council.

Mr. GUTHRIE: At the present time we have authority to execute the local laws in the Yukon, but this is not the case in the other territories of Canada and unless authority is specially granted for that purpose we do not propose to undertake that work. If authorized by the governor in council, we may be enabled to perform that service in other parts of Canada.

Mr. MACKENZIE (Vancouver): Under what conditions would the minister suggest the governor in council could authorize the Royal Canadian Mounted Police to exercise their police power within one of the ordinary municipalities, say in British Columbia?

[Mr. Euler.]

Mr. GUTHRIE: In any province in which we have taken over the police work, where the province should request us to operate, for instance, in regard to municipal bylaws.

Mr. MACKENZIE (Vancouver): They will be overriding the ordinary city police force of the municipality.

Mr. GUTHRIE: Only on the request of the local government.

Mr. MACKENZIE (Vancouver): Only on the request of the attorney general of the province will they interfere?

Mr. GUTHRIE: Yes.

Section agreed to.

Section 5 agreed to.

On section 6—Offences by others than commissioned officers.

Mr. GUTHRIE: That covers offences within the force.

Mr. VENIOT: Will the minister inform the committee whether officers of the mounted police force are permitted to apply to persons who are confined in prison, what is commonly known as the third degree?

Mr. GUTHRIE: The third degree is not recognized in any way in any court or under any conditions in Canada, so far as I am aware, but nothing in connection with that matter arises in this bill.

Mr. VENIOT: This section defines certain things which it is not considered the duty of members of the force to do and that is the reason I am bringing this up. I know of a case where an officer of the force visited a prison in which there was a prisoner incarcerated for a crime and he put that prisoner through a category of very strict questions and even threats in connection with another crime of which he suspected the prisoner might have some knowledge. That took place lately in the county gaol of the county of Gloucester and it was done by one of the officers of the force. I shall not reveal the name publicly, but if the minister or the commissioner wishes to have it, I am prepared to give it to him at any time. The case is one in which the officer enters a prison cell, with the consent of the sheriff, takes the prisoner to a private room and puts him under a very severe cross examination in connection with another crime with which the prisoner is not charged, but with the intention of obtaining from him evidence against somebody else. This has been done not only on one occasion but on several

and under the protest of the lawyer who in the first instance defended the prisoner when he was accused of a crime not connected with that to which I am now referring. I want to know if that sort of thing is to be tolerated under the jurisdiction of the mounted police of Canada.

Mr. GUTHRIE: I would certainly say that it is not to be tolerated and if my hon. friend will write me a letter making the complaint, I shall have an investigation made into the circumstances. But I may tell the committee I have had many complaints of this nature from many parts of Canada and I have had occasion to read the evidence in very serious cases which have been tried in the criminal courts of the country. I have read the evidence of accused men in regard to the treatment they have been accorded at the hands of the mounted police. One could hardly imagine stories such as have been told in regard to maltreatment, threats, buffeting and assaults which have gone on in the gaol for the purpose of obtaining confessions and the like. But when those matters have been investigated in court during the hearing of a case where judges and juries have passed upon them, they have gone out of their way to commend the officers of the Royal Canadian Mounted Police and to state there was no truth whatever in the charges. I know the charges are commonly made, but I doubt very much if they actually exist except perhaps in extremely isolated cases.

Mr. JOHNSTONE: Is there any regulation to prevent members of the force from marrying?

Mr. GUTHRIE: There is a regulation against marriage until a constable has served six years or a non-commissioned officer five years in the force.

Mr. VENIOT: There is another point to which I wish to direct the attention of the minister with regard to the administration of the law by the mounted police. Is it not their duty rather to prevent an infraction of the law than to wait until its commission in order to make arrests?

Mr. GUTHRIE: That is the first principle of police work.

Mr. VENIOT: It might be worth while to look carefully into the method adopted in certain sections of Canada, especially in New Brunswick, in that respect. For instance, let me give a case in point. Here are two young boys of tender years, say ten or twelve, who at a time when smelt-fishing is prohibited, start out with what is commonly known as a dip net for catching smelts out of season. A police officer administering provincial laws —in New Brunswick these laws are now administered by the Royal Canadian Mounted Police—sees these boys making for a place where they can use this net, and he waits until they are making use of it; he does not reprimand them or point out that it is a violation of the law, but arrests them and incarcerates them in prison. Is it not rather his duty to prevent them going to the spot with the utensil they have for violation of the law; to warn them rather than wait until they have, perhaps innocently, violated the law and then take them and throw them into gaol with ordinary criminals? Yet that has been done to my personal knowledge. I draw attention to this not in the way of criticism of the minister but in order that the department may become cognizant of these things and bring about a better condition of affairs in having the law respected.

Mr. EULER: Might I revert to a question asked by an hon. member on the other side regarding the prohibition of marriage on the part of these officers until they have served for six years? To me that is rather an amazing rule. I am wondering whether the thought is that these men shall become accustomed to obedience before they enter the state of matrimony. But I think there should be some explanation, it seems to me an unfair rule.

Mr. GUTHRIE: The most forcible objection to allowing marriage at will is the cost to the force. As soon as a constable or officer becomes married he is entitled, as a married man, to allowances for his wife, and children as they come. I think in every army there is restraint on marriage for the same reason. Men as a rule join the mounted police at twenty-one or twenty-two years of age, and it is not considered unreasonable that for six years they may not marry without permission, or five years in the case of non-commissioned officers. It used to be twelve years until two or three years ago when we changed it.

Mr. EULER: In other words the country refuses to pay a living wage.

Mr. YOUNG: We pay good wages.

Mr. EULER: It really comes to that, because it seems to me that when a man has attained the age of maturity, twenty-one, he has the right, if he so desires, to take on the duties of citizenship—

Mr. GUTHRIE: Well, he knows that regulation when he enlists of course.

Mr. EULER: —especially in the province of Quebec. It seems to me there is an injustice there, I do not see why these men should not have the same rights and privileges as other citizens.

Mr. JOHNSTONE: I would point out that there are many who are already married. I know one instance of a lady who was superintendent of a hospital, she left her position and was married to a police officer last year, and two weeks after the marriage he was dismissed from the service.

Mr. GUTHRIE: That would be for marrying without permission. If they defy the regulations in that way I think we have to discipline them.

Mr. YOUNG: I understand that as the regulations are no married man will be taken on, and any man who gets married without permission—

Mr. GUTHRIE: Within six years.

Mr. YOUNG: —will be dismissed. I am told by the officials that a primary reason for that is that a force composed of single men is more mobile.

Mr. GUTHRIE: Yes, that is one important reason.

Mr. YOUNG: That reason would apply more in the old days when the work of the mounted police was chiefly in the wilder parts of the country and a man might be ordered to go a thousand miles into the wilderness; he of course could not take his wife and family with him. But now the work of the force is changing, much of it is done in the cities, and it seems to me it would be the part of wisdom to take married men on the force or allow them to get married when they like, for a married man will be found more reliable than a single man.

Mr. STEWART (Edmonton): May I ask if it is still the custom in the Northwest Territories and the Yukon for trials to be taken before deputy superintendents?

Mr. GUTHRIE: As my hon. friend knows, the officers of the police are by statute justices of the peace. In remote parts where no other officials are available to take informations and the like, they do act, but it is only in isolated cases. Wherever possible the ordinary authorities are applied to for all judicial proceedings.

Mr. STEWART (Edmonton): I think it is a practice that should be stopped everywhere. In the earlier days, even in the provinces, we had serious complaint about this practice. It does seem unfair that the man who arrests should also try the person he has arrested. It is an objection I have taken before. I assume it is not being done now within any of the provinces, where magistrates are available. But it seems to me that at least in cases where arrest is necessary the prisoner should be kept until some independent party can try him, rather than that the individual who makes the arrest, "runs him down" as we frequently call it in the Northwest Territories, should also try him.

Mr. GUTHRIE: The grievance is not a very marked one, because in the last two and a half years there has only been one case where the officer making the arrest has tried a charge, and that was away up in Great Bear lake district.

Mr. STEWART (Edmonton): But Great Bear lake is becoming a very important centre.

Mr. GUTHRIE: It is now, but it was not so until recently.

Section agreed to.

Section 7 agreed to.

On section 8—Time served with provincial police force included for pension purposes.

Mr. STEWART (Edmonton): This may not be the place to ask, but there are one or two cases of men who retired from the mounted police in the city of Edmonton, and have since joined the civil service. They are making application that the time served in the police force, for which they received no pension, might be added to their time of service for superannuation purposes in the civil service.

Mr. GUTHRIE: At present where an officer has been transferred into the civil service the time served in the police force does not count for superannuation. But the reverse of that is the law now, a man who has served in the civil service and subsequently becomes attached to the police can count on his time for pension the time which he served in the civil service. The other question raised by my hon. friend from West Edmonton is now under consideration; we have had it up on one or two occasions. I do not think there are very many involved.

Mr. STEWART (Edmonton): I think about a half dozen now.

Mr. GUTHRIE: There are a few, and recently a long report was made by the commissioner in regard to that question, but as yet I cannot say what action if any will be taken.

Mr. MACKENZIE (Vancouver): May I ask if negotiations are still proceeding with the government of British Columbia in regard to taking over the provincial police of that province?

Mr. GUTHRIE: The negotiations were somewhat indefinite; I think they only consisted of a call by the commissioner on either the premier or the attorney general for the purpose of discussing it. I do not think the matter proceeded very far, but an intimation was given that the provincial government would consider the matter when an opportunity offered.

Section agreed to.

Section 9 agreed to.

On section 10—pension to widow and allowance to children.

Mr. SPENCER: Does the word "officer" mean any man in the ranks or just those of higher ranks?

Mr. GUTHRIE: In the Pension Act the distinction is maintained between officers and other ranks, and the object of these amendments, in order to bring them into conformity with the present provisions of the Pension Act, is to carry out those distinctions as between the two.

Mr. SPENCER: The point I wanted to make was this: If a man in the ranks is killed, irrespective of whether or not he may be only a beginner, will the widow and children be looked after?

Mr. GUTHRIE: Yes, they will be looked after under this bill, but they were not looked after heretofore. Up to the present when a man was killed in the performance of his duty it was necessary to come to parliament and have a special vote included in the estimates; every year there were votes of that kind in the estimates. In order to avoid that necessity and to make the procedure definite and permanent these sections have been prepared, so that the widow and children of any man who loses his life in the performance of his duty will be pensioned.

Mr. HEENAN: In introducing the resolution I think the minister made some reference to twenty years service.

Mr. GUTHRIE: Not in the case of a man killed.

Mr. HEENAN: Has the minister made an estimate of what one-half the retiring allowance would amount to, on the average?

Mr. GUTHRIE: Yes; my hon. friend asked that question previously, and I have figures here. I find that in the case of a man with the rank of corporal the widow would receive about $765 per annum, and in addition there would be $60 for each child.

Mr. HEENAN: Up to the age of sixteen?

Mr. GUTHRIE: Sixteen in the case of a girl and eighteen in the case of a boy.

Mr. MACKENZIE (Vancouver): What would be the figure in the case of an ordinary constable?

Mr. GUTHRIE: Between $600 and $650.

Mr. HEENAN: I only want to point out to the minister that under the workmen's compensation acts in the different provinces the widows of men killed receive about $40 a month and there is an allowance of $10 a month for each child up to sixteen years of age. Surely if a constable is killed while performing his duties for the state his dependents should receive as much consideration as is shown the dependents of those killed in industry.

Mr. GUTHRIE: I think we give a little more consideration.

Mr. HEENAN: Not according to these figures.

Mr. GUTHRIE: Yes, it will be a little more than $480 a year for the widow, but it will be $5 a month instead of $10 for the children.

Section agreed to.

Sections 11, 12 and 13 agreed to.

On section 14—pensions to widows and compassionate allowances to children.

Mr. GUTHRIE: This makes the same provision for the men as is made for the officers.

Mr. VALLANCE: Will this legislation be retroactive?

Mr. GUTHRIE: No, because all the widows who have lost their husbands by reason of service already have been pensioned by means of annual grants made by this parliament. This measure will only take effect when the bill is passed.

Mr. HEENAN: The minister mentioned the figure of $760. Is that the retiring allowance of the corporal?

Mr. GUTHRIE: That is half the pay and allowances per annum.

Section agreed to.

Bill reported.

CANADIAN NATIONAL RAILWAYS

AGREEMENT RESPECTING TRACKS AND PREMISES AT SAINT JOHN

Hon. R. J. MANION (Minister of Railways) moved the second reading of Bill No. 23, to ratify and confirm the agreement respecting the joint use by the Canadian Pacific Railway Company of certain tracks and premises of His Majesty at Saint John, N.B.

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

On section 1—Agreement ratified.

Mr. MACKENZIE (Vancouver): Is this just continuing the provisions of the present agreement or is it a new agreement?

Mr. MANION: So far as I know there are no changes whatsoever. Any agreement that is for a term longer than twenty-one years has to be ratified by this house. This agreement was made in 1927, and the present bill is to change it from a twenty-one year agreement to a ninety-nine year agreement. The agreement is a long and complicated one, and frankly I do not know the details, but it is satisfactory to both railway companies.

Mr. HEENAN: Is there any particular reason why the agreement should be for ninety-nine years?

Mr. MANION: I know of no particular reason except that the railways prefer a longer arrangement to a shorter one. They have done it in connection with these three bills. One bill makes some slight alteration in the present agreement, but frankly I do not know which it is, and only by a study of the agreements could I find out. I did not know that these bills were coming up this afternoon. This bill is merely to continue the agreement which was made in 1927. The agreement under the next bill was made in 1915 and the other agreement in 1912, and so they are all very old agreements.

Mr. STEWART (Edmonton): I suppose this is a sort of joint terminal arrangement, is it not?

Mr. MANION: Yes.

Section agreed to.

Schedule agreed to.

Bill reported.

[Mr. Guthrie.]

AGREEMENT BETWEEN CANADIAN NORTHERN ONTARIO RAILWAY COMPANY AND THE CAMPBELLFORD, LAKE ONTARIO AND WESTERN RAILWAY COMPANY

Hon. R. J. MANION (Minister of Railways) moved the second reading of Bill No. 24, to ratify and confirm an agreement between the Canadian Northern Ontario Railway Company and the Campbellford, Lake Ontario and Western Railway Company.

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

On section 1—Agreement ratified.

Mr. MACKENZIE (Vancouver) Which are the other railway companies referred in section 1, and what is the necessity for this long lease of 999 years?

Mr. MANION: I am a little curious myself to know why they make it 999 years in these times. I said to my hon. friend from Quebec South (Mr. Power) when the bill was up before that I thought it was long enough. I will read the memo to the committee giving the details briefly:

This agreement, dated the 1st May, 1912, provides for the joint use of tracks together with the passenger station and passenger facilities of the Canadian Northern Ontario Railway, and lands occupied thereby at Belleville, Ontario.

In addition, the Canadian Northern Ontario Railway agreed to sell to the Campbellford, Lake Ontario and Western Railway Company certain lands together with lines of railway and telegraph lines constructed thereon.

The lines of railway involved are the old Canadian Northern main line through Belleville and the main line of the Canadian Pacific between Montreal and Toronto.

The term of the agreement is for a period of twenty years from the 1st June, 1914, and, if ratified and confirmed by parliament, is to be effective for nine hundred and ninety-nine (999) years from the 1st June, 1914.

If the committee wants any particular details I shall be glad to give them on the third reading.

Mr. STEWART (Edmonton): Is not this bill really confirming the purchase of a property?

Mr. MANION: No, it is an agreement. If it were a purchase and were government railway property it would have to be ratified by order in council. This is not a purchase but an agreement for running rights over these lines.

Mr. MACKENZIE (Vancouver): Has the board of railway commissioners any jurisdiction?

Mr. MANION: Yes.

Mr. HEAPS: Are these railways subsidiaries of any other company?

Mr. MANION: I am afraid I cannot answer definitely at the moment, but nearly all the railways in that section of the country which used to be independent are now subsidiaries of either the Canadian Northern, now a part of the Canadian National, or the Canadian Pacific. There are probably no independent railways in that section of the country at the present time.

Mr. HEAPS: Are these railways subsidiaries of the Canadian National or the Canadian Pacific?

Mr. MANION: The Canadian Northern is now a part of the Canadian National. I cannot answer offhand as to the other railway mentioned in the bill, but I can look it up for my hon. friend. I do not know, however, that it really matters, because it is an agreement made by the two railway companies and has been in effect since 1914.

Mr. MUNN: Mr. Chairman, 999 years is an awfully long time.

Mr. MANION: I do not know that my hon. friend or I need worry about the end of that period.

Mr. MUNN: Would the minister in his own business recommend a lease of 999 years? Does he not think it is ridiculous on the face of it?

Mr. MANION: Not necessarily, because it is satisfactory to both railways. They are fixing it practically for all time, making a permanent arrangement.

Mr. MUNN: I would suggest that the term be cut down to a reasonable length. It is ridiculous to make it for 999 years. As a business man you would not do it in your own business.

Mr. MANION: I think that is a fairly reasonable attitude, and if the committee wishes to cut it down to 99 years I have no objection. One term is about as certain for this committee as the other.

Mr. MUNN: But 99 years is not quite so ridiculous as 999 years, in the eyes of the public.

Mr. MANION: If my hon. friend wants to make a motion to change it to 99 years—

Mr. MUNN: I move, Mr. Chairman, that the term be changed to 99 years from 999 years.

Amendment agreed to.

Schedule agreed to.

Mr. GUTHRIE: I would point out, Mr. Chairman, that this is an agreement signed by the various parties interested, and if we vary the agreement that they have signed we may find ourselves in trouble. The term of 999 years is not uncommon particularly in English conveyancing where the titles to English property are often on a 999 year lease. The object of that is to prevent an absolute sale and transfer and to retain the control which the landlord has over the tenant. That is no doubt the object in making this particular lease for 999 years. I do not think we should change it. We might hold up the bill and see if the parties would agree to the change, but to change a signed agreement renders the whole thing nugatory.

Mr. STEWART (Edmonton): It does look ridiculous to make it 999 years.

Mr. GUTHRIE: It is a perpetual agreement.

Mr. STEWART (Edmonton): That is quite true, but I see from a cursory glance at the bill that the sum involved is not very large and 99 years would seem to be a reasonable term for an agreement of that kind to run.

Mr. GUTHRIE: I think the bill had better stand in committee to see if the companies will agree to the change.

Mr. MANION: In view of the legal opinion given by the Minister of Justice (Mr. Guthrie), perhaps this bill could be allowed to stand. I do not think there will be any difficulty in getting the two railways to agree to 99 years instead of 999.

Mr. MUNN: If the minister will recommend that it be made 999 years, I will withdraw my objection. Will he go on record to that effect?

Mr. GUTHRIE: In my opinion the agreement should stand for 999 years.

Amendment (Mr. Munn) withdrawn.

Section agreed to.

Bill reported.

USE OF CANADIAN PACIFIC TRACKS AND PREMISES AT QUEBEC

Hon. R. J. MANION (Minister of Railways) moved the second reading of Bill No. 25, to ratify and confirm an agreement respecting the joint use by His Majesty and the commissioners of the Transcontinental railway of certain tracks and premises of the Canadian Pacific Railway Company at Quebec.

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

On section 1—Agreement and supplementary agreement ratified.

Mr. MANION: This bill is merely to confirm an arrangement which has been in existence since 1915 between the Canadian National and the Canadian Pacific railways. The two railways jointly use the terminal and this bill is to carry on the agreement for 99 years.

Mr. POWER: Would the minister have any objection to postponing the consideration of this bill until such time as the hon. member for Quebec East (Mr. Lapointe) is in his place? I know he has something to say on it and in all probability I shall have some objections to make. I might point out to the minister that I think he was mistaken a few days ago when he said the former agreement was for 999 years.

Mr. MANION: I did not say that; I said that the previous bill, the one with which we have just been dealing, was for 999 years.

Mr. POWER: I took it from Hansard where the minister said that the former agreement was for 999 years. He then made a correction in Hansard to the same effect.

Mr. MANION: My hon. friend is wrong. We were dealing with the three bills in the same order as we dealt with them to-day. When we came to this bill my hon. friend asked me if it was for 99 years. I said yes, and that the previous one was for 999 years. I said that that should be long enough, but Hansard put it in as 99 years and made the statement appear foolish. I wanted to correct the statement and make it clear that I was referring to the previous bill, not the previous agreement.

Mr. POWER: The original agreement between the Canadian Pacific Railway and the Transcontinental Railway was made in 1915. The Transcontinental was represented by the late Hon. Frank Cochrane, but I cannot find out just at present who represented the Canadian Pacific. Considerable discussion took place in Quebec at that time, as it was understood that the Transcontinental would have a passenger terminus of its own. This agreement came rather as a surprise to the people of Quebec. I notice the new agreement was dated January 1, 1930, yet it appears to have been signed at a much later date. One of the signatories is R. J. Manion, who was not Minister of Railways in January, 1930. Apparently this agreement was left on his doorstep, so to speak.

Mr. MANION: I should like my hon. friend to let me know what other lines he would like information upon. Each one of these agreements comprise thirty or more pages and naturally I cannot familiarize myself with all the details. Generally speaking, in dealing with bills of this sort I take the attitude that the two railways have come to a decision satisfactory to both and are merely asking parliament to ratify the agreement because the law says that that must be done. If my hon. friend has any other suggestions to make I should like to hear them and then I can move that the bill stand.

Mr. POWER: Who are the commissioners of the Transcontinental railway at the present time? I see the minister signs as commissioner.

Mr. MANION: I am the commissioner.

Mr. POWER: Are there any others?

Mr. MANION: No.

Mr. POWER: When the minister entered into this agreement did he do so on the advice of the Canadian National Railways or did he do so as commissioner of the Transcontinental railway?

Mr. MANION: The Canadian National Railways handles the Grand Trunk Pacific and the National Transcontinental railways. As minister, I act as commissioner in place of the old commissioners of the earlier days. I act on the advice of the Canadian National and sign as commissioner of the National Transcontinental.

Mr. POWER: Was this agreement submitted to the officers of the Canadian National Railways?

Mr. MANION: Yes.

Mr. POWER: And the minister signed on the advice of those officers?

Mr. MANION: Yes.

Mr. POWER: The former agreement signed by the Hon. Mr. Cochrane was made on behalf of the crown. At that time the Canadian National Railways was operated directly by the Minister of Railways; if I may express it so, he was acting in a political capacity whereas at the present time he acts merely as a figure head for the railway.

Mr. MANION: That is correct. At the present time the minister acts entirely on the advice of the management of the Canadian National Railways who operate the National Transcontinental on behalf of the government as part of the national system. I am associated with this in no way except merely to act as commissioner on the advice of the management.

Mr. POWER: Pool trains are being run out of Quebec over the Canadian Pacific tracks only. There will be very few if any Canadian National passenger trains running from this station. This agreement was made in 1930, at which time there were at least three Canadian National passenger trains running out of this station and using the facilities, the tracks and so on. I have not had an opportunity of going into the details of the agreement, but it appears to me that perhaps it might be advisable to modify the agreement so that the burden of the Canadian National Railways would not be quite so heavy.

Mr. MANION: Of course the Canadian National had every opportunity to advise me that they wished some modification, but apparently they did not.

Mr. POWER: The pool trains started on March 11.

Mr. MANION: I appreciate that the agreement was made some time ago. In the absence of my hon. friend a few days ago the hon. member for Quebec East asked a question in regard to the pool trains.

Mr. POWER: I was in the house; I heard it.

Mr. MANION: Well, that explains the pooling from the standpoint of the Canadian National Railways. However, in view of my hon. friend's remarks I shall gladly put his side of the question before the Canadian National, because I think, had they desired the changes, they should have advised me inasmuch as these bills, they knew, were still in the preliminary stages. Before the bill comes up again I will place before them the suggestions made by my hon. friend, and I shall be glad if he will tell me of any further suggestions he has to offer.

Mr. POWER: I have none at the moment, but if any occur to me I will inform the minister.

Mr. MANION: I shall be glad to have the information. In the meantime I move that the committee rise and report progress.

Progress reported.

SUPPLY

DEPARTMENT OF FISHERIES

Hon. HUGH GUTHRIE (Minister of Justice) moved that the house go into committee of supply.

Motion agreed to and the house went into committee, Mr. Bury in the chair.

Fisheries—building fishways and clearing rivers, $6,000.

Mr. BOUCHARD: Where was this money spent?

Hon. ALFRED DURANLEAU (Acting Minister of Fisheries): It was spent in Nova Scotia, New Brunswick, Prince Edward Island and British Columbia.

Mr. BEAUBIEN: Since the building of the St. Andrews locks on the Red river in Manitoba the people have been unable to catch fish. The Red river runs practically north, in the opposite direction to most of the rivers in that part of the country, and in the early days we were able to catch catfish, goldeyes, pickerel and various other kinds of fish. This meant a good deal to the people living along the Red river, but since the building of the locks the fish do not come up the river to spawn. I would ask the minister to take this matter up with his officials to ascertain whether the fishways are really modern, so as to allow the passage of fish up the river to spawn. I understand that the fish caught in the Red river are lazy; they do not go up these fishways. The minister might find out whether it is possible to improve these fishways to facilitate the passage of the fish up the river.

Mr. DURANLEAU: The fisheries being administered by the provincial authorities in Manitoba, I suggest that the hon. gentleman get in touch with the provincial government, who would in turn communicate with the Department of Railways and Canals, and require from that department the construction of fishways and ladders. Nevertheless I shall be pleased to look into the matter and see what the exact situation is.

Mr. BRADETTE: I would call the attention of the minister to an anomaly that exists in our section of the country. Three large newsprint and sulphite mills are operating on the Abitibi, the Ground Hog and the Metagami rivers, and apparently the chemicals discharged from these mills poison the waters in these rivers. Formerly there was an enormous catch of sturgeon, and there was an excellent market in the United States for caviar from the district, but that is lost because the fish cannot survive in these waters. I do not know whether this is under federal or provincial jurisdiction—

Mr. DURANLEAU: It is under provincial jurisdiction.

Mr. BRADETTE: Then I will leave it at that. These rivers are partly navigable and I understand that under this item the clearing of rivers can be taken care of. It is a matter of making the water fit for the survival of fish. This is a considerable industry in our section of the country.

Mr. DURANLEAU: If these were tidal waters this matter would be under the jurisdiction of my department.

Mr. BRADETTE: They are partly tidal.

Mr. DURANLEAU: The tidal part will no doubt come under my department. Has the hon. gentleman ever taken the matter up with the provincial authorities? As regards the part that comes within the jurisdiction of my department, I will make inquiries to see whether the situation can be remedied, because it is undesirable that the waters of rivers should be poisoned in that way.

Mr. NEILL: This vote has been cut down by two-thirds, which is a very considerable reduction, greater than in any other item. As there is need for the work, I think the minister should explain the reduction.

Mr. DURANLEAU: It is due to the fact that the expenses for such works have been greatly reduced within the last few years. As a matter of fact during this fiscal year, up to December 31 last, we expended only $1,379. Of course these expenditures cannot always be calculated exactly in advance, because sometimes we are called upon to remove obstructions when we did not expect to have to do so, but from the expenditures we made last year, we believe $6,000 will be ample to meet the requirements for next year.

Mr. NEILL: The explanation is contradictory to the announced policy of the department. When I have applied for work to be done in connection with matters of this character such as clearing streams or building fishways, I have been told that the greatest economy had to be practised because the money was not available. It now appears that $18,000 was available and only around $1,000 spent. Parsimony wholly unjustifed has been shown by the department. I have, if not willingly, at least acquiesced when I have been told that no money was available, whereas it now appears that ample money was available but the department neglected the work to which I called attention.

Mr. DUFF: The minister says that expenditures last year amount to $1,300. How many applications did he have for spending money in building new fishways or clearing streams?

Mr. DURANLEAU: We have investigated every case reported to the department, but as my hon. friend knows, fishways are built by the owners themselves and not by the department. The department contributes only in certain cases, and as a rule the construction of fishways is done at the expense of the owners themselves. The principal work of the department is to remove obstructions when we are called upon to do so. As a matter of fact we have answered any call that has been made upon us and we have given satisfaction at that little expense.

Mr. NEILL: No, I protest; that is not correct.

Mr. DUFF: I quite agree that the building of new fishways is something which the owner of the dam is supposed to look after, but the minister admits the department can help to build new dams or arrange to tear down old ones. The minister of course has not answered my question. I should like to know how many applications the department had last year for work of this character. The minister says that all they spent was $1,300. The department might have had applications necessitating the expenditure of $1,000,000. I am simply using round figures as I do not know the amount. How many applications had the department and what did it do with them? Did it turn them down flat and spend only $1,300 because it wanted to act against the wishes of the persons applying for work to be done?

Mr. DURANLEAU: My information is that the department investigated every application that was made to it and when it was found advisable to do the work, it was done.

Mr. DUFF: How many applications were made to the department?

Mr. DURANLEAU: I have not the records under my hand. I have a large list covering work we have done in Nova Scotia, New Brunswick and British Columbia.

Mr. DUFF: There cannot have been very much done if the department spent only $1,300.

Mr. DURANLEAU: As the hon. member knows, the work of removing obstructions is not very expensive. As will be seen from the amounts expended, it is not very large. On the Tusket river, Yarmouth county, we made an expenditure of $568. On the Clyde river, Shelburne county, we made an expenditure of $25.20; on the Mersey river, Queens county, $46.20 and on the Gaspereau river, Kings county, $89.51. I am informed that we have done what was reasonable. If my hon. friend can supply me with the name of any place where we should have done something which was not done, I shall be pleased to inquire and to do what is reasonable under the circumstances.

Mr. DUFF: I am afraid, instead of my writing the minister and suggesting certain work should be done at a certain place, my experience is that the only way to get work done by the department is to protest against it. If I reported that certain work should not be done in a certain river, the minister and his officials would likely have that work done, so while I appreciate the minister's solicitude in regard to my giving him information, I am afraid I cannot take advantage of his generosity. The minister has not yet answered my question. What I asked was this: In addition to the work done at an expenditure of $1,300, how many applications were made and from whom were they received?

Mr. DURANLEAU: I have already told my hon. friend that I cannot give the information because I have not all the files with me.

Mr. DUFF: I would suggest then that the item stand until we get the information.

Mr. DURANLEAU: Let the item stand.

Item stands.

To assist in the conservation and development of the deep sea fisheries and the demand for fish, $85,000.

Mr. VENIOT: What is the meaning of the expression "the demand for fish"? Is that to assist in marketing?

Mr. DURANLEAU: Yes, to increase the demand.

Mr. DUFF: How much was spent last year?

Mr. DURANLEAU: During the present fiscal year prior to December 31, last we spent $46,411 and prior to the end of February we had spent around $50,000.

Mr. VENIOT: To secure better markets, I mean?

Mr. DURANLEAU: No, on the whole item.

Mr. VENIOT: Can the minister divide that and tell us how much was spent for securing better markets?

Mr. DURANLEAU: The expenditure made to increase the demand for fish has not been very large. As my hon. friend knows, we have used the services of Mrs. Spencer, an outstanding specialist in cooking fish. She has been going all over the country the year round and has done a splendid work. In parts of the country where the population was mostly French we had an interpreter working in cooperation with Mrs. Spencer.

Mr. VENIOT: I am prepared to commend the work done by the lady in question, but that is directed to increasing the use of fish at home. Was any of this sum expended for the opening of markets abroad, and if so, how much?

Mr. DURANLEAU: That would pertain to another department, that of Trade and Commerce. All over the country we are trying to improve the quality of our fish so that the fish sent to markets abroad shall be of first class quality. We think that is the best means of increasing our exports of fish.

Mr. DUFF: How is the minister trying to improve the quality of fish for shipment to foreign markets? Would he also give a detailed statement of how the $46,000 was spent last year?

Mr. DURANLEAU: We seek by educational work and by the enforcement of rigid regulations to ensure that the fish shall be properly packed and canned and sent abroad in first class condition. The fisheries inspectors are being qualified to give instruction in methods, and it has been found necessary to have a thoroughly qualified man devote his whole time to such work, one who can be available to help the fishery officers if needed. We have a special officer known as the promoter of proper fish curing who has done valuable work in that respect.

Mr. DUFF: What is his name?

Mr. DURANLEAU: George Earl, and he has assistants.

Mr. DUFF: I have heard of this gentleman, but I have never come in contact with him. Where is he? What does he do? How does he earn his salary? What is the minister paying him for? What are the officials in Ottawa telling him to do?

Mr. DURANLEAU: During the season of 1933-34 this man worked chiefly in Prince Edward Island, Guysborough and Richmond counties in Nova Scotia, and the Magdalen islands. Six assistants were employed at times to help him. This class of work is proving highly beneficial, and the department is finding it difficult to keep up with the requests for his services from different localities.

Mr. NEILL: Did he ever get out to British Columbia?

Mr. DURANLEAU: No.

Mr. DUFF: Who are the assistants, and how are they appointed?

Mr. DURANLEAU: They are all appointed by the civil service commission. Does my hon. friend desire the names? The promoter's name is G. R. Earl, at a salary of $2,520, less ten per cent of course.

Mr. DUFF: That is too bad.

Mr. DURANLEAU: His assistants are P. Mercier, William Mercier, W. H. Casiboom, Earle McRae, A. Wilson and B. Latham, at a salary of $4.50 per day each.

Mr. BRADETTE: In this item is mentioned the development of deep sea fisheries. The minister has just told the committee he spent $46,000 last year for the advertising of fish and so on. I assume under this item some money should have been spent during the last two years in the investigation of fishing possibilities in Hudson bay and James bay, but if my information is correct the department has not made any move in that direction, although the present Minister of Finance, when he was Minister of Marine and fisheries, almost promised the committee to enlarge on the inquiry that was made in the summer of 1930. In our section we are not satisfied with the results of that inquiry. As far as the work done in 1930 is concerned, we believe it was well done but we think it should have been enlarged. Only a few days were spent in the whole Hudson bay area, comprising nearly 700,000 square miles of water, after which the statement was made that there were no salt water fish in all that great expanse. The minister was not very definite, but at any rate he created the impression that further investigation would be made. I am not going to read the report of the investigation made by the 1930 expedition, but I state frankly that that report is not satisfactory to the people interested in that section of the country. We maintain that there are salt water fish in those waters. It is true that in the estuaries of the rivers running into Hudson bay there are fresh water fish, which at certain times of the year migrate into Hudson bay and James bay. Perhaps the minister will say that on such a question they cannot carry the investigation further, but I know from reports received from people familiar with the situation in that area that there are salt water fish in Hudson bay and James bay. To corroborate my statement I will read part of a good report that was made by W. R. Maher, an engineer of the T. & N.O. Railway who knows well that northern part of Ontario and Quebec including James bay and Hudson bay. This report was published in the North Bay Nugget of October 26, 1932. He says:

> From a tourist standpoint the east coast offers adventure, exploration, new fishing grounds and bird life in abundance for gun and camera. Charlton island could be made a desirable base for canoe or motor boat trips along the coast which could be made under the protection of islands. Sea trout are found in such numbers and of such excellence as to alone establish the James bay as one of the leading fishing resorts of the continent.

That statement comes from a man well versed in all that pertains to those northern waters. I believe he is known to the Minister of Labour and the Minister of Railways. Mr. Maher would not have made that report unless he was sure of his statement from personal inquiry on the ground.

A little further on in the report, describing a trip he made in James bay and Hudson bay waters, he says:

> Hundreds of seals were seen swimming and resting on the ice. Gulls, guillemots and terns were evidently feeding, but only jellyfish were seen.

Anyone familiar with salt water fishing knows that there would be no seals unless there were salt water fish. Seals would not come all the way down to James bay to feed on the fresh water fish; they would get most of their feeding on salt water fish. Only a few days ago I was talking with Captain Bernier, who is known in every section of Canada for his voyages of exploration in Canadian Arctic waters. He tells me that every summer quite a number of Scandinavian schooners spend the whole fishing season in the Hudson strait and the Ungava

section fishing for cod, although he tells me there are no banks, but on the eastern side of Hudson bay there would be good grounds for cod fishing. Again Mr. Maher says:

On entering the river a school of white whales, several hundred in number, were seen playing about at the end of Manitunuk sound.

That would seem to prove that there must be some salt water fish in that great expanse of water. I do not know how true it is, but in our section it is said that the government do not want to develop our fishing industry because it will provide very keen competition for the fisheries of the Atlantic and Pacific coasts. We do not want to believe that, but that is what is being said. Geographically speaking, we are in the centre of Canada, and with the extension of the railway to salt water we are in a position to give a thirty-six hour service for fresh and salt water fish to such markets as Toronto and Montreal, and even the United States. We do not want to attribute ulterior motives to other sections of the country, but I am firmly convinced that the government would be well advised to continue the investigation which was started in 1930. I need not refer further to that inquiry, but the fact remains that they only actually fished in the Hudson bay for less than one day, and any man familiar with that expanse of water will readily understand that it was impossible in that time to cover the territory properly. We maintain that a trawler or schooner should remain there for the winter months in order to have a whole season in which to investigate the situation the following year.

I have here a report which was made following investigations into the fisheries of Hudson and James bays and tributary waters in 1914 by C. B. Melvill, A. R. M. Lower and N. A. Comeau. I believe this report will corroborate what I have said with regard to the fisheries of Hudson bay. With reference to codfish, at page 24 the report states:

Cod are known to occur in Hudson bay. A few schooners from St. Johns fish in Hudson straits and Ungava bay every year. There would apparently be, therefore, no reason why these fish should not exist in larger quantities than have yet been found.

The investigation of 1930 was not lengthy enough to cover the fisheries of Hudson bay very thoroughly. Speaking of the different species of fish that have been found on the west coast of Hudson bay, the report goes on to say:

The other species of the west coast are not of a great deal of economic importance; rock-cod occur in the bay and it is said that the true cod does also—

The true cod does exist also, but no investigation of the west coast was made in 1930.

—but there is no record of a single specimen of either of them ever having been found on the west coast.

That would corroborate the statement I made a few moments ago, that the east coast of Hudson bay should have been thoroughly investigated, and I believe the investigation should be continued. The report goes on to say:

Besides the strictly fish wealth, there are other forms of marine life possessed of considerable value; one such as the white whale, another is the seal. The former occurs in great numbers and as he is quite valuable for his oil—of which he yields 100 gallons each, it may be expected that an industry founded on his products will develop as soon as the market is brought near enough to the place of production. The seal is not the fur seal but its hide makes extraordinary waterproof bags, boots, gun covers, and so on.

Further on in this report they touch on the question of the whitefish that exists in the estuaries of these rivers. I need not name the great rivers that pour their waters into Hudson bay; I believe the names are familiar to every member of this house. Everyone is familiar with the wonderful quality of whitefish, and I believe an industry could be built up comparable to the goldeye industry in Manitoba. It is a well known fact that in these estuaries there are unlimited numbers of whitefish during several months of the year, as well as in James bay and Hudson bay. In this report they have this to say with regard to transportation:

When the Hudson bay railway is opened, it will be possible to get the products of the smaller bay out to the cities of the west in the course of a few days, and then we shall expect to see greater use made of them. Such a traffic will require substantial fishing tugs, quite independent of wind and tide, for these latter are the great bugbear of all traffic carried on with the old fashioned craft.

That statement applies even more forcibly at the present time for the very good reason that now the Timiskaming and Northern Ontario railway has been extended to tidewater at James bay, and we are in a position to give wonderful service in the distribution of fish not only to central Canada but also to the United States.

I believe, Mr. Chairman, that I have built up a strong case, and I fervently hope the government will find it possible under this item of $85,000, of which only $46,000 is spent in connection with the advertising of fish in this country, to carry on that investigation into the fisheries of Hudson bay and James

bay. In our part of the country we are quite willing to go half way at all times; I believe we have shown in the past that we are not critical of advances made in other sections of Canada, but I repeat that we are not satisfied with the investigation that was carried on in 1930. We were satisfied with the work actually accomplished, but we were not satisfied with the small amount of work done. I hope the minister will be in a position to tell the committee that under this item, and not later than the year 1935, his department will find it possible to make a very thorough inquiry that will satisfy our people.

Mr. DUFF: May I ask if the minister is going on with these estimates after eight o'clock?

Mr. DURANLEAU: I think so.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

The CHAIRMAN (Mr. Bury): Item 154 had been called but had not been disposed of when we took recess.

Mr. GUTHRIE: That item might stand and we will go into the Interior department.

Item stands.

DEPARTMENT OF THE INTERIOR

Expenses connected with the Dominion observatory at Ottawa, $38,200.

Mr. MacLEAN: What is the number of employees at the Dominion Observatory at Ottawa, and how many have been let out during the present year?

Hon. T. G. MURPHY (Minister of the Interior): At the Dominion Observatory at Ottawa there are now thirty-five employees, and eight at the astrophysical observatory at Victoria. Five employees have been retired from the Dominion Observatory at Ottawa during the past year.

Mr. MacLEAN: Would the minister give the names of those who have been retired, and say if anyone has been appointed in their place?

Mr. MURPHY: The five retirements from the Dominion Observatory at Ottawa were: S. Gold, Dr. F. C. P. Henroteau, W. A. Dier, W. G. Hughson, S. I. Saxby.

Mr. McINTOSH: Who is the head of the observatory at Ottawa?

[Mr. Bradette.]

Mr. MURPHY: Doctor Meldrum Stewart.

Mr. VENIOT: What were the reasons given for the retirements?

Mr. MURPHY: The retirements were in the interest of economy in the public service.

Mr. VENIOT: Any replacements?

Mr. MURPHY: No.

Mr. McINTOSH: What is the reason for the decrease in this item and in the next item for the astrophysical observatory?

Mr. MURPHY: The economy at Ottawa was effected solely by the retirements.

Mr. McINTOSH: To complete the record, how was the decrease of $1,300 in the vote for the dominion astrophysical observatory at Victoria effected?

Mr. MURPHY: The economy at Victoria was effected by a reduction in the general expenses of the institution.

Item agreed to.

Topographical and Air Survey Bureau—

From topographical and air surveys, compiling, drawing, printing and distributing, geographical base maps for all purposes, issuing technical instructions for air photography and reconnaissance, under supervision of committee on air surveys and base maps; land and mining claim surveys of all remaining Dominion lands (Northwest Territories, Dominion parks, ordnance lands); preparing electoral district maps; maintaining central office for indexing, filing and recording of survey notes and plans, and the distribution of maps, etc., $100,000.

Amount required to pay the fees of the board of examiners for D.L.S., of the secretary and of the sub-examiners and for travelling expenses, stationery, printing, rent of room and furniture, etc. (the fees of Messrs. F. H. Peters, W. M. Tobey, and Harry Parry, members of the board and J. A. Cote, secretary, are to be paid out of this sum), $900.

Mr. McINTOSH: Are these topographical surveys carried on generally throughout northern Canada or are they confined to certain of the northern portions of the dominion?

Mr. MURPHY: The greater part of the work carried on in the last few years has been in the Northwest Territories where there is considerable mining development, but the surveys extend over the whole of Canada. The survey work that is carried on include the general mapping service for the dominion.

Mr. McINTOSH: Just what part of the picture concerns northern Saskatchewan?

Mr. MURPHY: During the past year there was very little survey work carried on in the dominion, either in the older settled parts or in the territories, but we had considerable

data in the survey from which maps were being made. The provinces have been co-operating with the topographical survey in furnishing the ground control which enables us to make maps after the aerial photographs have been taken by the Department of National Defence.

Mr. FAFARD: How many employees have been dismissed in the last two years?

Mr. MURPHY: During 1933-34 there were 26 retired.

Mr. McINTOSH: Can the minister tell us how this $100,000 will be distributed?

Mr. MURPHY: In the Northwest Territories, Mackenzie district, $1,300; Northwest Territories, Mackenzie district, $9,500; Northwest Territories, Mackenzie district, $1,300; Nova Scotia, $4,200; Quebec, $600; British Columbia, Vancouver district, $3,800; Northwest Territories, Mackenzie district, $912.

Mr. DONNELLY: How many aeroplanes are engaged in making this survey?

Mr. McINTOSH: We have not had complete details of the distribution of this $100,000; we have had the details of only about $20,000.

Mr. MURPHY: Twenty-one thousand dollars odd will be utilized for surveying in the field and the balance of the vote is for the salaries of the staff.

Mr. STITT (Nelson): Is any surveying and topographical work done in northern Manitoba in the God's lake district? This is one of the largest undeveloped and unexplored areas in the world and there is urgent need for maps to assist the prospectors who are going into that country. I refer particularly to the area east of Sipiwesk lake, where large developments are taking place. I would appreciate it if the minister would endeavour to have some of this vote expended in this district.

Mr. MURPHY: Our work is closely connected with the work of the Department of National Defence, which takes the aerial photographs from which the maps are made. I have no item for survey work in the district to which the hon. member for Nelson (Mr. Stitt) refers, but, as I explained a few moments ago, we work in close cooperation with the provinces which frequently give us the ground control. If the Department of National Defence is able to do the flying work necessary in that district during this season we may be able to complete the sheet map of the area in which the hon. member is interested.

Mr. McINTOSH: What degree of cooperation exists between the dominion and Saskatchewan governments with regard to work of this kind carried on in the northern part of the province?

Mr. MURPHY: The government of Saskatchewan works in close cooperation with us in that regard.

Mr. BRADETTE: Have there been any negotiations between the Ontario government and the Dominion government in connection with the jurisdiction over the islands in Hudson and James bays? I referred to this matter a few years ago as well as last year and believe there has been some activity on the part of the Ontario government through Mr. Finlayson, the Minister of Lands and Forests for Ontario. The provincial government is endeavouring to have some of these islands placed under provincial jurisdiction. I do not think I need elaborate this matter outside of saying that there has been some stoppage of development of natural resources on some of these islands because of the uncertainty of jurisdiction.

Mr. MURPHY: Certain correspondence has passed between the Department of the Interior and the department concerned in Ontario in connection with this matter. The jurisdiction over certain islands can be determined only by surveying and until such a survey is completed we will not be in a position to deal with the matter. Legislation will have to be introduced in the dominion and provincial houses, and until that is done the question of jurisdiction cannot be settled finally.

Mr. STEWART (Edmonton): Does the minister refer to the Belcher islands?

Mr. MURPHY: There is no question of jurisdiction in connection with those islands. As the hon. member knows, they lie well out in Hudson bay. The islands to which I refer lie in the mouths of the rivers, and it is a matter of surveying to decide whether they fall under provincial or dominion jurisdiction.

Mr. BRADETTE: If I understood the minister rightly, he implied that the islands which really belong geographically to the province would be placed under provincial jurisdiction. Has the province of Ontario asked for full jurisdiction over all the islands in James bay within the boundaries of the province?

Mr. MURPHY: I have no official communication in which the province of Ontario has asked for jurisdiction over such islands as may

or may not be now within the jurisdiction of the dominion. I think the hon. member is slightly in error in his understanding of what I said two years ago. If my memory serves me correctly, I said that that part of an island which might lie within an imaginary line drawn from headland to headland at the mouth of a river would come under the jurisdiction of the province concerned, whether Ontario or Quebec, but that an island or the portion of an island which might lie outside that imaginary line would come under the jurisdiction of the dominion.

Mr. DONNELLY: A few moments ago I asked the minister to give me the number of aeroplanes engaged in this survey work.

Mr. MURPHY: As I have explained, that will depend to a certain extent upon the amount of money available for the purpose. We estimate that there will be eight or ten, possibly more.

Mr. DONNELLY: How much of this money is spent outside and how much is spent inside the provinces? As I understand it, most of the provinces have their own natural resources and I would assume that it would be up to them to do their own surveying.

Mr. MURPHY: The surveying done by the department at the present time, outside of the subdivision surveying in the Northwest Territories, is purely for the purpose of map making, which is a dominion function. The only surveying which we do within the provinces is to establish the ground control, that is, the longtitude and latitude, in order that maps may be correctly completed from the aerial photographs.

Mr. DONNELLY: I understood the minister to say that something like $4,000 of this vote is to be spent in Nova Scotia; to what part of the province does he refer?

Mr. MURPHY: The district lies to the northeast of Halifax, between Sherbrooke and Truro, and the information is required to make use of aerial photographs which have already been taken of that area.

Mr. DONNELLY: What is the reason for taking them in this district?

Mr. MURPHY: These photographs were taken at the request of the provincial government because in that district there are large areas of crown timber lands.

Mr. FAFARD: Many aerial photographs have been taken and the work has been properly done, but maps cannot be drawn without the ground control. I think the government would save money by spending more on ground control to enable the department to use these aerial photographs that have already been taken.

Mr. MURPHY: Not only has the money spent on ground control been curtailed, but there has been a considerable curtailment also in the amount spent on aerial flights and also in the services of the technical officers. With the hon. member, I hope the time will soon come when we shall be able to spend more money on this service, which I consider essential to the well-being of Canada.

Mr. FAFARD: There are already in the department many aerial photographs taken in the last three or four years, and if we do not spend any money on ground control that expenditure becomes futile.

Item agreed to.

Geodetic Survey of Canada—

Primary triangulation, geodetic astronomy, precise levelling and investigation—for the charting of sea coasts, water areas, and forming a basis for the foundation of all engineering projects, and for pursuing investigations of the earth's crust and the determination of the curvature of the surface and eventually of the figure and dimensions of the earth. The above form the basis of operations for federal and provincial departments, municipal authorities and engineering projects over the whole country, $116,500.

To recoup the Temiskaming and Northern Ontario Railway Commission in connection with their claim for injury to John Hedin, $240.

Mr. GIROUARD: This amount is pretty large and I notice that among other things the money is required for the purpose of pursuing investigations of the earth's crust and the determination of the curvature of the surface and eventually of the figure and dimensions of the earth. Does not the minister think that in these times this work could easily be suspended?

Mr. MURPHY: In my humble opinion, the geodetic survey is one of the most important services performed, from the scientific point of view. It is the survey on which all other surveys are or should be based. It determines the actual points of longitude and latitude on which all other surveys should be based, whether hydrographic, topographical or subdivisional surveys. The hon. gentleman is no doubt well aware of the very great importance that attaches to a service of this kind. Indeed, if the economic conditions were as we should like them to be, I think the dominion would be well advised to spend more money on this service.

Mr. McINTOSH: Following that statement, will the minister indicate the major and minor expeditures involved in this large amount, giving the committee an amplified statement showing how the money is spent.

Mr. MURPHY: These are the details: Precise levelling $4,264.50; triangulation, $3,200; general expenses, $6,894.50; salaries, $102,141.

Mr. FAFARD: What is the amount spent in the United States on geodetic survey? I do not think there should be any decrease in these estimates. As the minister has said, this is the most important branch in his department and I do think that the government should do something to keep the men of experience whom they have already in this branch.

Mr. MURPHY: The hon. member wishes to know the amount spent in the United States on this service. I am informed that during the last year it was about $2,000,000 in round figures, and during the coming year it is something over $6,000,000.

Mr. GERSHAW: I notice that part of this vote is for investigating engineering projects. Is there a staff available for investigating such a question as a possible irrigation system or work of that kind?

Mr. MURPHY: That is a duty of the provincial governments.

Mr. STEWART (Edmonton): How many parties does the minister propose dropping from the staff this year?

Mr. MURPHY: We will have three parties in the field.

Mr. STEWART (Edmonton): Where will most of the field work be done?

Mr. MURPHY: The greater part of it will be done in Ontario in the vicinity of Bruce peninsula.

Mr. STEWART (Edmonton): Is the work pretty well completed along the St. Lawrence in Quebec?

Mr. MURPHY: I am informed that in the gulf of St. Lawrence and along the straits of Belle Isle there is considerable work yet to be done.

Mr. McINTOSH: In what sections of Canada will the money be spent this year?

Mr. MURPHY: I gave the figures a moment ago.

Mr. McINTOSH: My question was as to where this work was done, not what was done. I think the minister misunderstood me.

Mr. MURPHY: In British Columbia, $3,264.50 will be spent in carrying on precise levelling work in the vicinity of Kootenay river; in Alberta, $1,000 will be spent in scientific investigation at Frank, and in Ontario, there will be triangulation work to the amount of $3,200. This party will be operating in the vicinity of Bruce peninsula.

Item agreed to.

Government of the Northwest Territories—

Salaries and expenses connected with the administration of the Northwest Territories Act and ordnances, Northwest Game Act and regulations, Eskimo affairs, Wood Buffalo park, reindeer industry, game preserves and sanctuaries, wolf and coyote bounties, exploration, investigation and development of natural resources, fire protection, construction and maintenance of buildings, schools, hospitals and roads, relief to destitute, maintenance and transportation of prisoners and insane patients, equipment and supplies, contingencies, etc., $195,500.

Mr. McINTOSH: Will the minister explain how this decrease has come about?

Mr. MURPHY: As the committee will observe, there is a net decrease of $22,500 which is accounted for by certain increases and certain decreases. I shall give the decreases first, as follows:

	Decreases
Head office administration	$ 1,428
Schools	7,800
District office at Mackenzie	84
Administration of Wood Buffalo park	364
Wolf and coyote bounties	26,000
Vital statistics	100
Fur export tax ordinance	300
Investigator's salary and maintenance	10

Then there are the following increases:

	Increases
Hospitals	$1,500
Medical services	3,798
Reindeer station	1,340
Relief to the destitute	6,948

Mr. BROWN: Is this the appropriation to take care of the movement of reindeer from Alaska over to the Mackenzie?

Mr. MURPHY: Yes.

Mr. BROWN: Could the minister give us a statement of the position of affairs in connection with that movement?

Mr. MURPHY: The herd at the present time is on the western shore of the mouth of the Mackenzie river. We had expected they would cross the delta this winter, but owing to a very severe blizzard which occurred during the season and to glare ice which the

deer encountered, they stampeded and returned to about the point from which they had started almost a year ago. Consequently we do not anticipate that they will reach their destination until the lapse of another year.

Mr. BROWN: How many years is it since they started?

Mr. MURPHY: In 1929 from Alaska.

Mr. TOTZKE: Has the number increased or decreased in the journey?

Mr. MURPHY: According to information recently received, the numbers have decreased.

Mr. McINTOSH: How many are there in the herd now?

Mr. MURPHY: It is estimated about 2,000.

Mr. STEWART (Edmonton): Surely the minister has not been reducing the wolf bounties?

Mr. MURPHY: They have been discontinued.

Mr. STEWART (Edmonton): Does the minister think that is good business?

Mr. MURPHY: I may say that the wolf bounty has been discontinued also in the provinces.

Mr. STEWART (Edmonton): I am not surprised at that.

Mr. MURPHY: But the hon. member is surprised at this.

Mr. STEWART (Edmonton): I am surprised at the action of the minister. I am not at all surprised that the provinces should reduce the bounties because they are reducing everything. If the game are to be preserved, something will have to be paid for the extermination of the wolves. The tendency at present is for the wolves to keep southward so that the menace from the wolves that the trappers will not poison and kill in the provinces will not be so great in the north. But I honestly think it is a mistake for the department to discontinue these bounties.

Mr. MURPHY: The hon. member may be correct; I suppose time will answer that question, but may I say that the provinces took this action first and the hon. member will, I think, be aware of the great temptation there would be to those who were hunting and trapping, say in the northern parts of Manitoba, Saskatchewan and Alberta, having slain a number of wolves and coyotes, to take them over into the territories and collect the bounty from the Dominion government. Further, as the hon. member is well aware, formerly we paid the bounty and the government retained the fur. The hunters and trappers will now have the sale of their furs, and the prices, I am glad to say, of all furs have advanced considerably. The question of decreasing the numbers will rest now, as it did before, with the individual trapper, and if he can secure for his fur as great an amount as he used to receive in bounty from the Dominion government, I think the objection of the hon. member will be met.

Mr. STEWART (Edmonton): That may be, but the Dominion government under both parties has gone to considerable expense in trying to exterminate wolves. It is a great thing they have been exterminated around Ottawa, but they are a growing menace in the northwest and I am afraid that the minister will find them getting into his parks. If the provinces discontinue the bounty, we shall have the same trouble as we had in the past. The wolf family seems to increase very fast and there is no doubt that they play the very mischief with deer. The result will be that throughout the whole northern section deer will be exterminated. While I agree with the minister that the price of fur has increased, it is rather difficult, as he knows, to trap a wolf. A trapper can make much more money by trapping other kinds of game than by trapping wolves, and the fact that he had the assurance of $20 per pelt was some incentive to him to get busy to try to exterminate them. Therefore I regret that the government have changed their policy in regard to the bounty on wolves, and I may say that I think the provinces have also made a very serious mistake.

Mr. MURPHY: Like the hon. member who has just taken his seat, I am well aware of the value of wild life to the dominion, especially that which inhabits our great national parks. Special and very strict instructions were sent out to our wardens during this past year to destroy the predatory animals in the parks, and I receive monthly reports in regard to the numbers killed. I am happy to tell the committee that there are no evidences this year of any great number of predatory animals in our national parks. I feel that the objection of the hon. member is met by the fact that owing to the increase in the price of fur those who formerly received the bounty will now receive as much from the sale of fur as they received

from the bounty. As a matter of fact complaints reached us that we were not paying enough by way of bounty—that they could get more out of the sale of the fur.

Mr. BROWN: There is a feature that I think has been overlooked here, as it was in the province of Manitoba. When Manitoba was paying bounty for the destruction of coyotes the Indians would go out in the spring and hunt up the dens and kill the pups, because the young pups brought them as much bounty as the mature animal. I speak with special relation to the sheep industry: I have good reason to know the damage that wolves may do in a flock of sheep; for I think I can say without exaggeration that I lost about $200 worth of lambs last summer from wolves. The fact that the Indians got $2 for destroying the pups was a great incentive to hunt them. We must remember that a wolf may do a tremendous amount of damage between the time it is a pup and the time it is mature enough to be trapped for its fur. I know that in Manitoba the bounty was discontinued, without an understanding of that fact. At our United Farmers' convention we had occasion to bring it to the notice of some of those who had advised the Manitoba government in the matter, and they evidently were not aware of the situation. I know that in my own district, and I presume it is the same wherever there are Indians and wolves, the Indians would hunt the young ones and kill them before they had a chance to do any damage. So the fact that the price of fur has gone up sufficiently to increase the incentive to trap the mature animals does not by any means meet the situation.

Mr. MURPHY: I was dealing with the situation as it exists in the Northwest Territories. The complaint of the hon. member is, I think, well taken, but it applies to the provincial jurisdiction, not to that of the dominion. I was merely replying to the objections raised by the former Minister of the Interior in regard to the situation in the Northwest Territories, where, as I think the hon. member knows, there are no domestic animals.

Mr. BROWN: But the same argument will apply where there are young deer and other game as well as where there are sheep.

Mr. MURPHY: In regard to the taking of the animals when they are young, I agree with the hon. member that such might be the case, but as a matter of fact and of record the bounty was practically all paid on mature animals. The wolves and coyotes were taken at the time of year when the ordinary hunting operations were going on and other fur-bearing animals were taken as well. I am well aware of the very great damage which can be done to a flock of sheep by either wolves, coyotes or the domestic dog, which is just as bad as the wolf when it takes to predatory habits.

Mr. McINTOSH: There is mention in another item of Wood Buffalo park. Will the minister explain where this park is situated, when it was established, its size, the extent of its development, and the use to which it has been put during the last four years?

Mr. MURPHY: While my official is looking up part of the information asked for I shall say that Wood Buffalo park lies partly in the Northwest Territories and partly in Alberta, the greater part being in the province. The main purpose it serves is that of a game sanctuary. To the best of our information, it is inhabited by some thousands of wood buffalo as well as fur bearing animals, beaver and all other fur bearers that are indigenous to the northern part of Alberta and the territories. I have not information at hand as to the year in which it was established, but I may be able to get it in a moment.

Mr. McINTOSH: While that information is being looked up, what is the total Eskimo population of Canada?

Mr. MURPHY: In the Northwest Territories, 4,670. In addition to that there would be a certain number in the northern part of the province of Quebec.

Mr. McINTOSH: Can the minister explain the rate of increase among these people? I am told on this side of the house that they just about hold their own, in other words they have arrived at the stage of what may be termed a natural equilibrium.

Mr. MURPHY: The estimated population in 1930 was 7,103. That included all Canadian Eskimos, but was only an estimate. The latest census, that of 1931, which we feel is quite accurate, showed 4,670, but that does not include those living in the northern part of Quebec.

Mr. McINTOSH: They are about as slow as some political parties we know.

Mr. STEWART (Edmonton): I hope the minister is not reducing the number of wardens patrolling the buffalo park. Has he the same number of men there?

Mr. MURPHY: There are at present ten wardens, which I believe is an increase over the number of a few years ago.

Mr. DONNELLY: I understand that a year or two ago there was a herd of buffalo driven up north. Can the minister tell us what became of them?

Mr. MURPHY: No buffalo have been taken north within the last three years.

Mr. DONNELLY: Are those that have been taken up becoming acclimatized?

Mr. MURPHY: Between 1925 and 1928 there were 6,673 of the animals taken from Wainwright to the Wood buffalo park, and at that time there were approximately 1,500 at that point.

Mr. MOTHERWELL: Are experiments being continued in the crossing of buffalo with domestic cattle?

Mr. MURPHY: I believe that experiment was carried on by the Department of Agriculture. I speak subject to correction, but I do not think it is being continued.

Mr. McINTOSH: Has the minister now the information for which I asked?

Mr. MURPHY: I have not the date of the establishment of the park, but if the hon. gentleman will repeat his questions I will give him the rest of the information.

Mr. McINTOSH: My questions were as to the exact location of Wood buffalo park, when it was established, its size, its development and the use to which it has been put during the last four years.

Mr. MURPHY: As I explained a few moments ago, Mr. Chairman, the park lies principally within the province of Alberta, with a small portion in the Mackenzie district of the northwest territories. It contains 17,300 square miles, of which 3,625 are in the northwest territories, the remainder being in Alberta. The sole purpose for which it is used is that of a buffalo preserve and a game sanctuary, with the exception that Indians and halfbreeds are allowed, under permit, to carry on hunting and trapping of fur bearing animals in that area.

Mr. McINTOSH: The minister has given me all the information with the exception of when the park was established, and perhaps he can bring that down some other time.

Mr. MURPHY: I shall be glad to furnish the information.

[Mr. C. A. Stewart.]

Mr. POWER: The minister made some reference to an increase of $6,000 in the amount expended for the relief of the destitute. Would he tell us the total sum spent under that heading last year, and what particular category of destitute were benefited?

Mr. MURPHY: There is an increase of $6,948 in this item this year. I have not the amount that has been actually expended up to the present time during this fiscal year, but the actual amount voted was $23,106. This year we are asking for $30,108, but the increase is more apparent than real. The hon. member will observe that in the item for schools there is a decrease of $7,800, so these two items really balance each other. We are charging to this item the amount formerly charged to schools for the education and care of orphan and destitute children, but taking the two items together it practically amounts to the same thing.

Mr. POWER: Did I understand the minister to say that this $23,000 goes to destitute children?

Mr. MURPHY: No.

Mr. POWER: To whom does it go?

Mr. MURPHY: To all the destitute in the northwest territories except the Indians, who are provided for by the Indian department.

Mr. POWER: Has the minister any idea how many families benefit by this vote?

Mr. MURPHY: I am sorry I have not that information with me, but I shall be very glad to get it for the hon. gentleman.

Mr. POWER: This is a form of relief, is it not? Are they required to work, or is this for direct relief?

Mr. MURPHY: I can give the items to my hon. friend. Rations for white and halfbreed persons declared destitute by the Royal Canadian Mounted Police, $1,000; transportation expenses, clothing and so on—

Mr. POWER: The minister need not bother giving the items; I just wanted to know to whom this money went, and I now understand that it goes to the destitute people living in the Northwest Territories.

Mr. MURPHY: Yes.

Mr. POWER: Other than Indians?

Mr. MURPHY: Yes, other than Indians.

Mr. STEWART (Edmonton): Are all the Indian agents in the territories medical men now?

Mr. MURPHY: No, but I hope they will be very shortly.

Mr. BRADETTE: There is just a question I should like to ask; it has to do with the constituency of Pontiac. I do not see the hon. member who represents that riding here, but I am his neighbour and I should like to bring it up. This has to do with some Indians who are in the parish of Timiskaming, on the Quebec side. I believe representations have been made to the minister to the effect that quite a number of Indians occupy a large area of land which is very well suited for agriculture. I have personal knowledge that very few of those Indians are interested in agriculture; in fact only two or three of them cultivate a very small acreage. I am informed that the federal government has to supply those Indians with wood during the summer and winter months, because there is hardly a stick of wood left there. A good many people interested in that section of the country desire to have that land given or sold to the province of Quebec in order that white people may settle there. Let me repeat that these Indians are not interested in agriculture.

Mr. MURPHY: Perhaps the hon. gentleman will permit me to interrupt. He will realize that we are now dealing with the Department of the Interior; I shall be pleased to take up the matter when the estimates of the Indian department are under consideration.

Mr. DONNELLY: I notice some of this money is for the maintenance of hospitals. How many hospitals are there, and how many medical men are maintained?

Mr. MURPHY: There are eight hospitals, one at Fort Smith, one at Fort Resolution, one at Hay River, one at Fort Simpson, two at Aklavik, one at Chesterfield and one at Pangnirtung, which is situated in Baffin Land.

Mr. DONNELLY: With one medical man at each place?

Mr. MURPHY: Paid either entirely by the Department of the Interior or jointly with the Indian Department.

Mr. McINTOSH: I notice that part of this money is to be used for the exploration, investigation and development of natural resources. In view of the mining development that is taking place in Canada, this part of the appropriation will serve a very useful purpose. May I ask approximately what part of this $195,000 is to be used for this purpose?

Mr. MURPHY: There is an item in the estimates of $23,300 which is appropriated for the annual trip of a boat sailing from Montreal or Sydney, Nova Scotia, to the northern latitudes, and carrying supplies for our hospitals and the personnel of the Royal Canadian Mounted Police located at various posts in the territories. We endeavour to send on that expedition as many scientific men as we can, and frequently the other departments cooperate with us to that end. It takes the boat about three months to make the trip, calling at various points in Baffin Land and on the shores of the Hudson bay, and at certain islands in the Arctic. In addition to that, valuable exploratory work is carried on by the geological survey of the Mines department. In connection with the maps which we were discussing under the vote for the topographical survey a few moments ago, the aerial photographic work is carried on by the Department of National Defence.

May I digress for a moment, Mr. Chairman, to say that if members of the committee can spare the time for a visit to the topographical survey, they will find an inspection of the aerial photographs and maps of that area in the Northwest Territories in which mineral development has been so great in the last two years well worth their while, and I am sure they will agree that their time was well spent. Immense strides have been made in the last few years in the taking of aerial photographs and, perhaps more important still, in the interpretation of those photographs by men who have made a scientific study of that subject. Again I recommend that the members of the committee visit the photographic library of the topographical survey.

Mr. McINTOSH: I thank the minister for the information that he has given to the committee. He has spoken of scientists going north once a year. Do those scientists come from different departments of the government, and do the universities cooperate in that work?

Mr. MURPHY: Macdonald College cooperated with the department last year and sent a man. We also secure the services of government scientists when they can be spared from their work in the departments, notably in the Department of Mines, which has worked very closely with the Department of the Interior in our efforts to investigate the resources of that northern country.

Mr. STANLEY: I think this is the proper item, Mr. Chairman, upon which to say a few words with regard to the wild fowl of this country and the possibility of encouraging the

establishment of sanctuaries for them in the west. Those who are informed on the question advise me that our wild duck and geese are decreasing at the rate of ten per cent a year. If that is so, these wild fowl will disappear within ten years. This is not a question of importance merely to the sportsman; for these wild fowl are of considerable importance as food to the natives of the far north, who shoot them and have their own refrigerating system for keeping them during the winter until the following spring. Just on the edge of the city of Calgary we have a fairly large bird sanctuary which is maintained by private donations and by the Calgary fish and game association. The expense of maintaining the sanctuary is becoming greater each year, and it has got to the point where private donations will no longer sustain it. We have had the assistance of the minister through his departmental officials in extending the protected area, and very real assistance has been given to the work of the association. However, if the fowl are to be protected by sanctuaries, the encouragement of this means of protection might well be given consideration by the department, with a view to seeing what measure of assistance can be given to those now actually in existence, and what should be done in establishing new sanctuaries.

The question of maintaining the fowl in the northlands during the winter months is one upon which there are decided differences of opinion. I am sorry to say that our provincial authorities are averse to doing anything to keep the wild fowl from going south. But if no international agreement can be made, and we do not seem to be succeeding very well in that direction, the fact remains that if the estimate of a decrease at the rate of ten per cent a year is correct—and I believe these people know what they are talking about—we are facing a serious problem in regard to our wild fowl. The only thing we can do under the circumstances is to establish sanctuaries of our own, and encourage and assist those now in existence so that we may keep our wild fowl in our own land.

In addition to what I have already said, the feed which is used in our sanctuary in Calgary is purchased from the large elevators and contains many weed seeds which have been sent out from the elevators to the farms for purposes of feed for stock, thereby spreading weeds far and wide. So that by using this feed from our grain elevators, our sanctuaries are helping to eradicate one of the great scourges of our western land. I bring this matter before the minister for his consideration because it is one of considerable importance not only to our fish and game association but also to those living in the far north whose welfare is a matter of concern to the department over which the minister presides.

[Mr. Stanley.]

Mr. MURPHY: The hon. member has opened up a large question, one in which I take a deep personal interest. The matter could, however, be more properly discussed under the item which includes an amount for the administration of the Migratory Birds Convention Act. I will read the hon. member's remarks in Hansard to-morrow, and when this item is before the committee I shall be pleased to discuss the matter.

Mr. MacNICOL: Does this vote cover the natural resources branch, or is this branch now non-existent.

Mr. MURPHY: This is not the vote.

Mr. MacNICOL: Is there any item which covers that branch? It has done splendid work in the past and I should like to know if it has been moved to some other department, or if it is non-existent.

Mr. MURPHY: I think the hon. member refers to the national development bureau. This branch has been discontinued as part of the Department of the Interior, but some of the work which it carried on is now being performed by the departments of Mines, Trade and Commerce, and Interior.

Mr. MacNICOL: In the past this branch did much work of great value. It never received the public credit to which it was entitled. It was small, but its contact with the industrial development boards of the various cities resulted in great improvement in many sections of the country. If this branch is not in the minister's department there is no use in my discussing it at this time. I have not been able to find out in just what department the branch is located, but if the minister will tell me when the item comes up I shall be prepared to say something on it.

Item agreed to.

DEPARTMENT OF LABOUR

Annuities Act, $85,000.

Mr. HEENAN: Why the increase in this item?

Hon. W. A. GORDON (Minister of Labour): This is caused by the increased sale of annuities. The sales this year were the highest in the history of the branch, amounting to $5,039,912. Last year they amounted to $3,580,176.21; in 1923-24 they were only $1,458,818.92.

Mr. IRVINE: Is any advertising done in connection with these annuities?

Mr. GORDON: Not very much. Annuities are sold through the agency of the postmasters throughout Canada. Representatives are appointed in various cities where the postmasters are on salary. I think we should feel gratified that there has been such an increase in the purchase of the annuities. Such an increase was the hope of the government when the act was passed in 1908. It indicates that thousands of people with very small incomes are providing against misadventure in their later years.

Mr. IRVINE: Are notices put up in the post offices?

Mr. GORDON: I believe so, but the amount provided for advertising is very small.

Mr. BROWN: Is this vote for the administration of the act, or for the payment of annuities?

Mr. GORDON: Just for administration.

Mr. BROWN: What amount is being paid out annually?

Mr. GORDON: I have not that information, but it can be readily obtained in the report of the Department of Labour which has been tabled.

Mr. IRVINE: What was the total amount of premiums collected last year?

Mr. GORDON: Last year the receipts on account of annuities purchased amounted to $5,039,900.

Mr. HEAPS: What is the total value of the annuities outstanding?

Mr. GORDON: The contracts issued to December 31, 1933, numbered 18,161, and the total receipts to the same date totalled $41,253,950.79.

Mr. HEAPS: What are the annual receipts?

Mr. GORDON: They vary. I have the figures from 1923-24 to 1933-34. In 1923-24 the receipts were $1,458,818.92, and in the first nine months of 1933-34 they were $5,039,912. I have not before me the figures prior to the fiscal year 1923-24.

Mr. HEAPS: Can the minister tell us the total amount of annuities involved?

Mr. GORDON: That is reflected in the total receipts amounting to $41,253,950.79.

Mr. HEAPS: That does not tell us exactly the value of the annuities.

Mr. GORDON: No, that would not tell it exactly.

Mr. HEAPS: Has the minister that information?

Mr. GORDON: One would have to go into the tables to determine what the obligation of the government was. I have not those figures before me.

Mr. HEAPS: Is this fund periodically examined on an actuarial basis?

Mr. GORDON: Yes; the fund is audited by the auditor general's department every quarter.

Mr. HEAPS: That does not quite answer the question. I wish to know whether on an actuarial basis the annuities are in a sound condition.

Mr. GORDON: There are conflicting views with regard to the question whether or not one can describe these annuities as being on a sound basis. All governments since the act was passed in 1908 have taken the attitude, and I am inclined to think properly so, that these annuities should be sold on the basis of the government absorbing the cost of administration, because the annuities themselves are limited to $1,200, and the legislation was designed primarily to give an opportunity to those of modest income to take advantage of the annuities during the years when they were able to save something. I have heard the question discussed both ways by actuaries representing the annuities branch and by actuaries of companies as to whether these annuities were sold at a more favourable or a less favourable rate than those sold by private companies. I am not an actuary, but I am inclined to think, after listening to both sides, that they are sold at a slightly more favourable rate than the annuities sold by private companies.

Mr. McINTOSH: How does the cost of writing this business compare with that of the best insurance companies for the same amount of money?

Mr. GORDON: The actuaries of the department contend that the cost is almost in equation. They will not go so far as to say that it is completely in equation with the best annuity companies. I think that both sides rather rely upon their expertness with figures, but I am inclined to the view that these annuities are sold at a lower cost than the annuities sold by some of the better private companies.

Mr. MITCHELL: How is the business collected? Is a commission paid or is it done by the permanent officials of the department?

Mr. GORDON: The hon. member means, how are the commissions paid?

Mr. MITCHELL: Yes, if any.

Mr. GORDON: They are paid out of the consolidated revenue fund, and appropriate entries are made into the annuities fund to take care of them from time to time.

Mr. MITCHELL: What is the basis of the commissions?

Mr. GORDON: The hon. member will forgive me if I am unable to go into details in matters that have to do with higher mathematics, because it is a good many years since I had to struggle with such questions. On an immediate, single payment deferred annuity—that is, one deferred, from one to five years—the commission is one per cent; deferred more than five years, two per cent. The maximum commission payable in respect of an application or applications for the purchase of immediate or single payment deferred annuity or annuities received from any one purchaser shall be $100; that is to say, it is limited to that amount. On deferred annual payment annuities, where payment is to be completed in one year, the commission is one per cent; where payment is to be completed in two years, two per cent for two years; where payment is to be completed in three years, three per cent for two years; where payment is to be completed in four years, four per cent for two years. There is a maximum commission payable in respect of an application for the purchase of a deferred annual payment annuity or annuities received from any one purchaser, of $125, and I am told by the officers of the department—and I believe it to be correct—that there is a higher maximum paid by the best private companies than is paid by the department to its commission agents.

Mr. HEENAN: Will the minister tell us the receipts from 1926 to 1933 inclusive?

Mr. GORDON: The following are the amounts and the years:

Fiscal year—	Amount
1925-26	$1,938,921 17
1926-27	1,894,885 29
1927-28	3,843,087 96
1928-29	4,272,418 87
1929-30	3,156,475 24
1930-31	3,612,233 88
1931-32	4,194,383 81
1932-33	3,580,576 21
1933-34 to Dec. 31	5,039,912 00

Mr. HEENAN: Is any of this money being spent on advertising?

[Mr. Mitchell.]

Mr. GORDON: Does the hon. member want the advertising cost for the different years?

Mr. HEENAN: The last few years.

Mr. GORDON: The advertising cost is as follows:

Year—	Advertising cost
1930-31	$27,388 12
1931-32	129 26
1932-33	836 85
1933-34 (Nine months)	1,937 43

Mr. HEENAN: I agree with the minister that the act is one of the best that has been put on the statute books for the benefit of the low wage earners, and I congratulate him on the improvement shown, especially in the last year. But in my opinion the minister is not advertising enough. It is true that the sale of annuities is increasing, but it is doing so only because of moneys that have been spent in previous years in advertising, bringing the matter before the people. If the minister will notice the first figure he gave, I think for 1925, the sale of annuities amounted to a little over $1,000,000 and it has jumped to $3,000,000 or $4,000,000 and now to $5,000,000. That was due to advertising bringing the matter of these annuities to the public notice. I am satisfied that the minister ought to spend more money in advertising than he is doing at present, in order to keep the value of these annuities before the public. Do I understand that part of this $85,000 will be paid for commissions?

Mr. GORDON: Yes, the commissions come out of that appropriation.

Mr. HEENAN: Are there any retroactive commissions to be paid, for which we were short of money last year?

Mr. GORDON: In two years it was found that sufficient money was not provided for commissions. In the fiscal year 1928-29 the account was overdrawn $15,000. It will be noted that in that year the sale of annuities was very large, amounting to $4,250,000. In the fiscal year 1933-34 to the end of December the sale of annuities, the largest in the history of the branch, amounted to over $5,000,000, and there is a shortage of about $30,000 which will be the subject of a vote in the supplementary estimates.

Mr. McINTOSH: In the history of Canadian annuities, what is the greatest amount spent on advertising and also the minimum amount and what were the years?

Mr. GORDON: I have before me the figures for advertising only beginning with the

fiscal year 1923-24, and in that year $21,915.65 was spent in advertising. Then the amount spent on advertising dropped until in the fiscal year 1925-26, only $60 was spent. The amount spent in advertising gradually increased in 1926-27 to $9,361.00; in 1927-28, $8,529.00; in 1928-29, $5,203.91; and in that year annuities were sold to the amount of $4,272,000, or more than were sold in any year prior to that time. In 1929-30 the amount spent in advertising jumped to $19,359.18, but the sale of annuities fell over a million dollars. In 1930-31, the amount spent in advertising again jumped to $27,388.12, which is the largest sum spent to that date, and the sale of annuities in that year amount to $3,612,000. For the succeeding years the figures are as follows:

Year—	Amount spent in advertising	Sale of annuities
1931-32. . . .	$ 129 26	$4,194,383 81
1932-33. . . .	836 85	3,580,176 21
1933-34. . . . (nine months)	1,937 43	5,039,900 12

The last figure is for nine months. Therefore there is in fact, on a review of the figures, very little relationship between the amount spent on advertising and the amount of annuities sold. But I have no doubt it is desirable and, I believe, necessary to do such advertising as will acquaint people of small means with the security offered by investment in these annuities and I will bear in mind in that regard the observations made by the hon. member for Kenora-Rainy River.

Mr. McINTOSH: I thank the minister for the information he has given to the committee with regard to the question I asked. I think there is a direct relation between the amount of money, every dollar the department ever spent on advertising, and the amount of annuities sold to the Canadian people. I believe, as the hon. member for Kenora-Rainy River has just said, the department is now reaping the benefit of constructive advertising in past years. I am sure we all know the statement in the Good Book: "Cast thy bread upon the waters: for thou shalt find it after many days." That is exactly the situation we have in this case. The hard publicity work was done in past years and the department is reaping the benefit from year to year. If the best work is to be done in the future and the postmasters of Canada are to sell the amount of annuities expected of them, this publicity must be carried on. Might I ask the minister what his policy with regard to this publicity is to be? Has he made up his mind as to what it will be next year?

Mr. GORDON: Yes; the government's policy with respect to advertising is to carry on such well directed advertising as is required to bring before those who may be interested in the small annuities the plain facts and the benefits that will flow from the investment of their money during the time they are capable of earning to take care of them in the misfortunes and misadventures that may come to them in the twilight of their lives. That is the policy.

Mr. GERSHAW: In view of the fact that annuities seem to be sold by the government cheaper than by private companies, does the minister expect to increase the selling price of government annuities?

Mr. GORDON: If my memory serves me correctly, the annuities bill was first introduced in the Senate in 1908 by the late Sir Richard Cartwright and subsequently sponsored in this house by the Right Hon. W. S. Fielding. While I have not had opportunity for many years to read their statements and remarks at that time, I believe that the principle upon which the then government embarked on the sale of annuities was primarily to provide small annuities for people of very modest means, to encourage them in thrift and the adoption of a course calculated to build up for themselves a reserve fund for their later life. Having that in view I believe it was the opinion of those men, with which I do not quarrel, that it was desirable that the government should absorb the cost of administration, which in connection with annuities issued by private companies of course is borne by the annuitant, together with some profit. I think perhaps there is no better activity in which the government can be engaged than that of devoting some money from the consolidated revenue fund to making measurably attractive this sort of investment for people who have not too much of this world's goods and who are earnestly striving in a thrifty way to make provision for their future years.

Mr. McINTOSH: The minister spoke of an annuity being a first class investment for a citizen to have in the twilight of life. Can he give the committee the age limit at which an annuity investment is most profitable, considering all circumstances?

Mr. GORDON: Those matters are worked out on a strictly actuarial basis. Any observation I might make would not be helpful; I am not an actuary, and it is entirely beyond

me to advise anyone at what age they should start to save for old age. But from my limited experience in finance I would say, start to save money at as early an age as possible.

Mr. McINTOSH: And keep right on at it.

Mr. GORDON: And keep right on at it.

Item agreed to.

Conciliation and Labour Act, $32,000.

Mr. HEENAN: There is a reduction of $3,000 in this item. Does the minister not expect that he will have to increase his activities in connection with conciliation this year?

Mr. GORDON: The estimate is based on the actual expenditures of last year, and I do not anticipate that there will be any necessity—I hope there will not—for greater activity this year than there was last year under this act. The conciliation officers, I think, did very fine work, and in many cases prevented the loss that invariably follows too hasty action on the part of employers or employees.

Mr. HEENAN: How much of that vote was spent last year?

Mr. GORDON: For the nine months to December 31, 1933, the total amount spent was $17,940.60.

Mr. McINTOSH: How many conciliation boards came into existence last year?

Mr. GORDON: No conciliation boards as described in the act have come into existence for many years.

Mr. HEAPS: I would like to raise a question under this item which perhaps has not been raised here for some time. I have no doubt that many hon. members have been amazed and shocked at the revelations brought out by the committee dealing with mass buying and price spreads. The low wages which have been paid in too many industries show that the government ought to attempt, in connection with its contracts, to see that fair wage provisions are properly lived up to. In calling the attention of the minister to this matter I do not want him to feel that I am attempting any personal reflection, but it has come to my knowledge that contracts which have been entered into by the government have been sublet and then sublet again, and the goods manufactured under the worst possible conditions right here in Canada. I realize that when the government let contracts they include some kind of fair wage clause, and if there is not a fair wage clause I suppose they provide for the going rates of pay in the district in which the goods are to be produced. I have in mind one contract let by the government which was subsequently sublet and then sublet again to a third and possibly a fourth party, and the girls working on this contract were earning, I am told by reliable people, $2 or $3 a week—

Mr. GORDON: I do not want to interrupt the hon. member, but I may tell him that purchases made now by this government have included in the contract a clause plainly stipulating that the laws with respect to wages in effect in the province in which the contract is to be carried out must be observed, and the eight hour day. I do not want the hon. member to feel that I am taking an attitude calculated to close off discussion of this most important matter, but I would draw the attention of the chair to the fact that the topic to which the hon. member is addressing himself is now being reviewed by a select committee of this house, of which I believe the hon. gentleman is himself a member. While I confess that my knowledge of the rules is perhaps not as comprehensive as it should be, I believe there is a rule that when a matter is under consideration by such a committee it should not be the subject of argument and review in the house.

Mr. HEAPS: As to the point of order raised by the minister, I am now dealing with a question relating to the enforcement of fair wages by the Department of Labour. I am not attempting to discuss a question that is before the committee, but am trying to find out what action the Department of Labour has taken to see that the fair wage clause in government contracts is properly observed. I do not think there is any relation between the matter referred to by the minister and that which I am now discussing. I do not know whether the minister wants to press his point of order, but I shall not pursue the matter much further because the minister has now given the assurance that the matter is being properly looked after by the Department of Labour. May I ask the minister this question? Supposing it is found that these regulations have been violated by contractors or subcontractors; what action is taken by the department?

Mr. GORDON: If it were shown that a contractor was guilty of a breach of the contract and was not complying with its terms the government would have two courses open

to it. One would be to cancel the contract; the other would be to have the conciliation and fair wage officers investigate the situation. If it were found, as in the hypothetical case to which the hon. member has made reference, that fair wages were not being paid, then without hesitation the Department of Labour would notify the other department concerned and ask that the money due that contractor be withheld until the terms of the contract were carried out and fair wages paid.

Mr. HEAPS: The case to which I am referring is not hypothetical by any means; I am quite prepared to give the names and details in full. Supposing a contract is let by the government; the contractor sublets that contract and the subcontractor lets it to a third party. Who is to be held responsible for the enforcement of the contract as it was entered into between the government and the first contractor?

Mr. GORDON: I assume the hon. member means who will be held responsible by the government. In the absence of anything of a special nature to the contrary the legal position would be that the government was dealing only with the first contractor. Obviously there is no obligation on the government to follow it through afterwards, but if it is made to appear that the main contractor, either himself or through the agency of subcontractors, has been guilty of procuring a breach of a contract, the position does not give rise to any very serious difficulty, because the money can be held back upon the facts being made known.

Mr. HEAPS: Then may I just pursue the matter a little further. Where there are no fair wage laws, as in the part of the country I have in mind, the prevailing rates apply, and of course these vary. There are some districts where they are probably all sweatshop rates, or the contract may be let in a small place that has only one factory, which may pay extremely low wages. Those wages may amount to only one half or one quarter of the minimum rate in similar lines of industry elsewhere. I think the government should be a model employer of labour and should insist in the contracts it lets for government supplies that proper rates of wages should be paid. I know that under some contracts it is easy for the contractor to get out of paying fair wages by paying the going rate in the district concerned; that may be only $3, $4 or $5 a week, while if the goods were produced under decent conditions the wages might be from $12 to $15 a week. I hope the government intend to clean up this class of sweatshop, in view of the fact that lately they have come into such prominence, but I think the government should give a lead by seeing that goods produced under government contracts are produced under the best possible conditions.

Mr. BRADETTE: There is one matter I should like to bring to the attention of the committee.

Mr. HEAPS: I wonder if my hon. friend would allow the minister to give his viewpoint on the question I have raised.

Mr. GORDON: I can only repeat the point I raised a short time ago, with respect to this whole matter being before a special committee of this house. No one in this chamber knows better than my hon. friend the difficulties that confront the federal government in connection with wages paid in sweat shops and so on. I have told my hon. friend of the attitude taken by this government with respect to contracts that have been let; at least it gives some leadership to the various provinces letting similar government contracts, but of course that does not indicate the full extent of the influence exerted by this government. In this way it indicates, at least, to industry, to manufacturers, wholesale buyers and others, the viewpoint of this government, and I hope the viewpoint of all provincial governments. But again I say that the hon. gentleman should not ask me to anticipate what action this government will or may take when I am sure every hon. member in this chamber, whether or not he is a supporter of the government, would prefer to have the benefit of the conclusions and recommendations arrived at by the committee now sitting, of which the hon. gentleman is a member. Certainly I should like to have them before I make any observations, and I think it would be entirely unfair to that committee and perhaps just as unfair to myself to ask me to make any such statement now.

Mr. MITCHELL: I cannot agree with the minister. We are now discussing the policy of the government and this comes up on the estimates. The prevailing rate of wages in an industry may be only two or three dollars a week, as my hon. friend from North Winnipeg (Mr. Heaps) has said. In my judgment the government has a distinct responsibility in connection with the wages paid under contracts let by the government. The minister has said the government has cancelled contracts, but I should like the minister to tell us of any contracts that have been cancelled. Frankly I think the policy of the government is absolutely wrong; it is

similar to the policy that has been followed by the minimum wage board in Ontario. They sit back and wait until complaints are made, without taking into consideration the dangers which confront the employees if they make complaints. The function of this department is to go out and insist that the conditions of labour under contracts let by the government should be fair and equitable. It is altogether wrong that a member of this house should be able to give instances of sweatshop conditions existing in industry arising out of contracts let by this government.

In my opinion, Mr. Chairman, the federal government has a direct responsibility, which does not cease when they say the prevailing rate of wages is being paid. They should insist that a living rate of wages be paid, and when I say a living rate I mean a rate in conformity with living conditions as we understand them in Canada. In the past the policy of the Department of Labour has been absolutely negative in connection with the low wages paid under contracts let by the government. They have sat back and waited until complaints were made. Since they have some knowledge of labour conditions in this country, they must know that unless an organization exists it is well nigh impossible for the employees to make any complaint. In connection with the subletting of these contracts the government should insist that when a contractor tenders it should not be possible for him to sublet the work to another contractor and then have that work sublet to still a third man. The responsibility rests with the government to insist that fair rates of wages be paid in the industry which is concerned with the contract. Arising out of the minister's observations I would ask him if he has knowledge of any contract being cancelled during the past year because the rate of wages did not conform with the regulations of his department.

Mr. GORDON: I have no information, Mr. Chairman, with respect to any contracts that have been absolutely cancelled, but there is, however, a long list of contracts wherein the officers of the department have investigated, both after complaints and on their own initiative, situations that have come to their notice which in their judgment and in my judgment required investigation. In some instances it was found that there was nothing to support the complaints that were made. In other instances, and there was quite a number of them, adjustments were made where it was found that the contractor was not paying, for instance, the current rate of wages. Those are matters that are constantly before the officers of the federal department. I can only say to both the hon. members who have just spoken that so far as federal contracts are concerned the federal government will take every possible means to see that in the work carried out for each department of government, living and fair wages are paid. So far as the wage earner is concerned, if he or she is not paid a fair and living wage by manufacturers or by others, wholesalers or anybody else, unless both the employer and the employee happen to be in the same state of financial difficulty at the same time, then I will say that the employer has very little justification for trying to carry on at all.

Mr. HEAPS: We are very glad to have that statement from the minister,

Mr. BRADETTE: A few minutes ago the Minister of Labour, speaking of the decrease in the item, said that he hoped less would be spent this year. I hope that his wish will be fulfilled, because it would mean that we would have less labour trouble in Canada. The minister is well aware that there were two or three bushmen's strikes last fall in northern Ontario, and that there is one on even now.

Mr. GORDON: Not now?

Mr. BRADETTE: There is one at Chapleau at the present moment. As I stated in my remarks in the debate on the address, there might have been objections to some of the leaders but I certainly am not in a position to state that the leaders were radical or bolshevik or anything of that kind. There is this one fact that Canada should be seized of, and that is that there were many anomalies in the conditions under which the bushmen and settlers cutting pulpwood were working in Ontario and Quebec, and both provincial governments have seen fit to devise new labour regulations. Where there is smoke there is often fire. The strikes that took place last fall were to a very large extent warranted. I was among the strikers for a number of weeks and I know the conditions. Not later than last week the province of Quebec passed statutes dealing wholly with bushmen and with men engaged in lumbering operations. I have not yet had time to study that legislation, but I have no doubt that it was designed to remedy some of the anomalies that have existed in the past. What is true of northern Quebec is true of northern Ontario.

I repeat, Mr. Chairman, that great credit must be given to the strike leaders, because so far as I know the strikers in places like Kapuskasing, Cochrane, Iroquois Falls and

Smooth Rock Falls were absolutely well behaved and had the wholehearted support of the citizens in those towns and localities. So after all these leaders must have been good, practical labour men. I know for a positive fact that some of these men belonged to the national and international unions, and in corroboration of what I say let me add that the sulphite and newsprint workers in the big mills at Iroquois Falls and Smooth Rock Falls and Kapuskasing each gave one hour's pay for the upkeep of the strike. If there had been too much radicalism in the leading of the strike it would not have been supported by the national and international labour unions. A great amount of good has come from having the situation thus brought so forcibly before the public. But I believe, Mr. Chairman, that the Labour department should take the initiative in a strike of that kind.

Mr. GORDON: I can tell the hon. member that the Labour department, acting in conjunction with the department in Ontario, sent out officers to places like Kapuskasing where it was possible to effect conciliation. The hon. member for Kenora-Rainy River (Mr. Heenan) well knows from his experience how desirable it is that when conciliation officers go into places like that, they should be given the opportunity by those in dispute to bring both parties together. That is the essence of conciliation. Our officers were in places where it was possible to do that. My references the other day were to places in northern Ontario where certain elements were at work which argued and advised and cajoled and did everything possible to keep employer and employee apart, giving no chance to the conciliation officers to operate. The whole basis of efficient conciliation work in industry or anywhere else where there is more than one person concerned, where there are conflcting interests, is to give the opportunity for conciliation to smooth out the difficulties and get everyone as nearly satisfied as humans can be. Our officers were in those places where conciliation was possible, and my reference the other day was to places where, by reason of the activities of certain elements, the efforts of the conciliation officers were rendered impossible.

Mr. BRADETTE: I greatly appreciate the statement which has just been made by the Minister of Labour. I am aware of the fact that officers of the federal Department of Labour were endeavouring to bring about a settlement of the dispute, and I have never criticized the work which they did. But I still maintain that it is the prerogative of the Labour department, whether of the federal or the provincial government, to take the initiative, and if the provincial department fails to take it, the federal department should step in. The initiative was taken in the Kapuskasing strike, and the result was that that strike was settled early. I hope the day will soon come, Mr. Chairman, and I am speaking as a citizen who knows something of labour unions and the situation of labour, when we shall find it possible to have one Labour department for all Canada. I am convinced that the Minister of Labour personally wants to bring about conciliation in these strikes, and last fall I found myself in the same position, though on a smaller scale, that he has just described, because the company and the strikers did not appear willing to accept my services in conciliation, taking the view that the settlement of the strike was primarily a provincial matter.

With reference to the minister's allusions on February 26 to the effect that some of the leaders in the Chapleau strike were radicals, I want to say that even if some of the strikers might be inclined to be radical, a lot of credit is due to their leaders for bringing to the attention of the public the anomalies that existed, and some of which still exist in some of these lumbering camps in northern Ontario. Talk of sweatshops and of people being underpaid! I say, Mr. Chairman, that one of the things that should be investigated by the committee on price spreads is the lumbering industry and operating conditions in that industry throughout Canada. They will find real sweatshop conditions; they will find men working to the utmost of their physical ability and receiving only a few cents remuneration. These conditions do not exist in all sections but they are to be found in most. There were reasons for the strike last fall; the men were smarting under injustices. In many cases the settlers were not receiving justice but through their leaders these men were able to bring their case before the Canadian public and legislation is now being enacted which will secure them better treatment.

I should like to make a few remarks in connection with the statement made by the Minister of Labour on January 26. I have in my hand a letter containing nineteen pages. It is very well written and I do not know but I should read it to the committee.

An hon. MEMBER: Take it as read.

Mr. BRADETTE: Some hon. members may object, but these men have been suffering. They do not know just where to find a solution for their problem. It is stated in

this letter that certain camps are absolutely filthy and not fit for human habitation. I know that no hon. member would live in them for even half a day.

Mr. McINTOSH: Were there not conferences with regard to these camps?

Mr. BRADETTE: Conferences were held and it is hoped that the situation will be improved. I believe that this committee should realize the situation. The provincial and federal governments should attempt to remedy these conditions. After all, a lumberman, an axeman or a settler is a human being who is just as much entitled to a good living as any hon. member or other citizen of this country. I hope the minister will make it a point to consider this letter and give it the attention it deserves. The gentleman who writes it was one of the leaders in the Chapleau strike. He is not a red; he was born in Canada. I should like to read one paragraph in which he makes allusion to himself, as follows:

> Personally I am a Canadian citizen of British pioneer stock, born, reared and schooled in Bromley township, Renfrew county till January 1, 1927, when I came to the unorganized districts in the vicinity of Chapleau, where I have made my living since as bushman, track worker, sawmill hand, river driver, trapper and prospector. At present I am a property holder in Sudbury district as holding a number of mining claims in the Swayze gold area near here.

This man claims he has nothing to do with radicalism or communism. It is always easy to attempt to throw a smoke-screen around strike activities and give them a bad name, but the fact remains that some of these men are suffering. They realize that the government can remedy the situation. The legislation passed only a few days ago in the province of Quebec will help to remedy the injustices which have existed in that province. I can speak as a labouring man and as an axeman, and I really believe the situation to-day is not much better than it was twenty years ago. What applies to the province of Quebec applies just as forcibly to the province of Ontario.

Last fall I visited some of these lumbering camps. I found some of them to be all right but others were not. In certain camps a human being should not be allowed to live much less to sleep. There seemed to be no attempt at cleanliness, in fact, filthiness seemed to reign supreme. These camps I refer to are not even in my riding but I make a sincere appeal on behalf of the men. The strikes which occurred in my own riding were settled and I would not like to see a repetition of what happened there. Hon. members in this parliament or members of the provincial legislature should not be willing to see such conditions exist in Canada; they are not worthy of our great country and our great natural resources, and they certainly are not worthy of our provincial and federal governments. I know the minister understands the language I am speaking and I think he wants to improve the situation. As he said a few moments ago, he took the initiative in settling the strikes which occurred in our own section, but conditions are still unsettled around Chapleau. Regardless of what some may say, that strike is not settled. A number of strikers have been kept on direct relief for the last five, six or seven weeks by the provincial and federal governments. These men are Canadians, both natural born and naturalized, and they deserve as much consideration as any other citizens.

I make this appeal to the minister because I know it is within the powers of the government to remedy the present situation. The citizens of Canada should realize the situation which exists in these lumbering camps. I listened to the two previous speakers and I think they realize just as I do that this government should have power to relieve the situation. These lumbermen are worthy citizens; they have helped and will keep on helping to build up the prosperity of Canada.

Mr. McINTOSH: Under item 165 I asked the minister whether any boards had been established, and I think he said that that matter would come under item 168. I understand that this vote is used largely to get the employer and employee together to investigate, discuss, confer and bring about satisfactory labour conditions. In view of the conditions which existed throughout Canada last year, how does the minister explain the decrease in this vote? How could there be a decrease if the amount of conciliation work which ought to have been done was not done?

Mr. GORDON: In my estimation these conciliation officers did very fine work last year. While there were some unfortunate strikes, comparatively speaking they were very few. The conciliation officer now does the work which the conciliation boards were set up to do years ago. There have been no new boards set up, nor have any of the old ones functioned for many years. The conciliation officer tries to settle disputes by conciliation thereby doing away with the necessity of

setting up boards under the Industrial Disputes Investigation Act. If a strike can be settled or a dispute smoothed out, there is no necessity of going further.

Mr. McINTOSH: The adjustment is done by an individual rather than a board?

Mr. GORDON: Yes.

Mr. HEENAN: I realize the difficulty a federal minister of labour would have in connection with a complaint such as that made by the hon. member for North Timiskaming (Mr. Bradette). Our federal laws hardly cover such a matter, inasmuch as the natural resources come within the jurisdiction of the provinces. Our Industrial Disputes Investigation Act is not framed to deal with matters of the kind. The great difficulty which I believe the minister finds in northern Ontario, as I found when I had the honour of being minister of labour, is the lack of cooperation by the provincial governments, and especially by the Minister of Lands and Forests and the Minister of Labour of the province of Ontario. The Minister of Labour for Ontario had full authority. He had at his command the provincial laws with which to deal with troubles in the lumber camps in northern Ontario; and when the outbreak started, instead of sending in someone to investigate, what did he do? He sent the provincial police in to find out whether any of the lumber workers were violating the laws of the province or of the dominion. I remember well that when one of his own fellow party men, the mayor of Fort William, wired the Minister of Lands and Forests that he ought to make an investigation because the lumber operators claimed that it was the lumbermen and the radicals who were causing the strike—he claimed that the radicals were blaming the lumber operators—his reply to the mayor of Fort William was, "We have already had the matter investigated by the provincial police and we have not found up to the present time anyone violating the law." In other words, a minister of the provincial government, with the authority of the law at his command, started to treat Canadians the way I am sure people would not be treated in that much discussed country, Russia. We find a labour dispute in Ontario, the banner province of this dominion, and a minister of the government of that province sends a wire to the mayor of Fort William, "We have already had the matter investigated by the provincial police and we have not yet found anyone violating the law." That is the method by which the Minister of Lands and Forests undertakes to investigate labour disputes in Ontario, and I can well understand the federal Minister of Labour being handicapped by reason of the fact that he had no authority. And that is evidence that he had no cooperation from the province. I had to make a speech in order to bring to the attention of the Minister of Lands and Forests the fact that he had authority but had not exercised it—authority embodied in legislation passed unanimously by the legislature in 1924, after being amended by the Hon. Mr. Ferguson, then premier. He had that authority to deal with labour disputes in any industries that were using the natural resources. He had the right to investigate whether the men were receiving living wages or not. He had the right to find out whether the operators were paying these living wages, and he had the right to adjust the price of timber, the raw material in the bush, so as to permit these men to obtain a living wage. I wrote him once myself, calling his attention to the fact that he had this authority, and I pointed out to him that there was this resolution. What do you think his answer was? I want to direct the attention of the next premier of Ontario to his answer. He said, "I understood that this was a pious resolution passed by the Ontario legislature." In other words, he was going to take no notice of a resolution passed by the Ontario legislature; he thought it was a pious resolution that meant nothing. Anyhow, he acted upon it, because when the newspaper men went to him and asked him about it he said, "We are still considering it"—that is to say, they were still considering, in 1933, taking action on a resolution passed unanimously by the legislature in 1924. Finally he called in the lumber operators and reduced their dues from $1.80 to $1 a cord. Now, the complaint made by my hon. friend from Timiskaming is this—I have just read his letter—that when Chapleau's timber was reduced from $1.80 to $1 a cord the operator got the full value of the $1.80 and not the men referred to by the hon. gentleman.

That is the sort of treatment we get in northern Ontario, and when anyone complains of injustice the cry goes up, "Radicalism, communism, reds", and a few men are sent to penitentiary and made martyrs. That is what is taking place in northern Ontario. I am not going to refer to the strike in Stratford. I know the Minister of Labour had nothing to do with it: I hope at least he had not. I hope he was not responsible for sending a regiment of soldiers with tanks and machine guns to subdue a few girls on strike in Strat-

ford. But the Ontario government ordered out troops, who went there with machine guns and tanks and paraded up and down the streets. That is the way they practise conciliation in Ontario. I do not think they shot any of these girls. The girls were on strike there because they were being paid two cents a chicken for plucking chickens, and one can imagine young Canadian women being compelled to strike in order to get one cent more per chicken. But when they sought to get a reasonable wage the Ontario government ordered out the troops, respectable troops, men who should command the respect of the people; they were ordered out with their tanks and rifles and machine guns.

Mr. GORDON: But they did it at the request of the mayor of the town, did they not?

Mr. HEENAN: It matters not who requested it. If they had made the request of the Minister of Labour would he have ordered out machine guns to meet these girls just because the mayor or an alderman or one of the ministers of the Ontario government had requested it? The Ontario government were responsible for it, and they will be held responsible. I hope the federal Minister of Labour had nothing to do with it, because he is responsible for enough now. But that is the method adopted in Ontario. I can recall when there was a strike in Kapuskasing in the Spruce Falls Pulp and Paper Company. It happened during my term of office. The men were dismissed because they belonged to a union. On a Sunday afternoon the heads of the union were elected, president, secretary, Secretary-treasurer and so on, and at night, about midnight, the foreman went round and touched them in bed and gave them their time check and told them to get out because they belonged to a union. It was Sir Robert Borden who signed the treaty of Versailles which contained section 13 giving the right of freedom of association in this country; yet the present Minister of Mines and Forests, Mr. Finlayson, in the then Ferguson government of Ontario, allowed men to be dismissed who were doing work in connection with the natural resources of that province. I telegraphed the then premier of Ontario, the same as the present Minister of Labour might do, to ask for cooperation from the provincial government. I told him of the situation after I had investigated and ascertained that the men were in the right, found out the truth. What does the committee think was the reply I received? It was that as long as the company was carrying out its agreement with the crown, they had no desire to interfere with its internal affairs. In other words, as long as the company paid the province of Ontario so much for stumpage and so much per horse power for the water it was using, they did not care whether it sacrificed the men, or whether it violated the treaty of Versailles and its provisions or anything else; they had no concern whatever in the matter. The situation was the same this year in northern Ontario—a government sitting in Toronto without any conception of decency for the working men and the working women and girls of the province either in Stratford or in the northern section. I have an affidavit from two men, a young Frenchman and a Scotchman who were sent from Winnipeg to the head of the lakes.

Mr. ROBINSON: Were they communists?

Mr. HEENAN: No, they were just as good citizens as any who are sitting in the house at the present time. There is always somebody over there who wants to get on Hansard and who is afraid to stand up and let us know who he is.

Mr. ROBINSON: I asked that question and I am not afraid to stand up and ask it.

Mr. HEENAN: All right; the hon. gentleman is a manly fellow. These two young men were sent down to work with a lumber company at the head of the lakes. They were teamsters and they worked by the day for twenty-eight days. They were awakened between three and four o'clock in the morning to get their teams ready to go out for a load before breakfast. Then they had to go into the bush for a load after supper. They had to put their teams up at night and it was ten o'clock at night before they got through with their work. At the end of twenty-eight days one had $1 coming to him and the other had $1.15. Their railroad fare and the few things they had purchased in the camp had been deducted out of their pay. The result was that they were left stranded at the head of the lakes about $7.50 short of paying their fare home to Winnipeg. I suppose if they had started to sing the Internationale they would have been arrested as communists. What would you expect of men who had been treated like that in this banner province of Ontario, as our friends opposite so glibly call it? I sympathize with the federal Minister of Labour when he has to be questioned on the floor of the house about the settlement of strikes in northern Ontario or any other section under the jurisdiction of the Ontario government, because I am satisfied,

nowithstanding what he may say in regard to the matter, neither was he solicitous of getting nor would he get any cooperation from the present provincial government even if he had solicited it.

Item agreed to.

Administration, Employment Offices Coordination Act, $8,000.

Mr. MITCHELL: What is the reason for the reduction in this vote, and by how much has it been reduced since the present government came into power?

Mr. GORDON: This vote has been pretty well discussed on the two previous items. It covers merely the administration of the offices under the Employment Offices Coordination Act and deals with travelling expenses, telephone, telegraph, printing and stationery, repairs to equipment and sundries. The total amount spent last year to December 31, 1933, was just $3,228.49, so there is really no necessity for voting more money than one has to spend. Of course, if I wanted to spend money I think I could go ahead and do it, but when it is not necessary I do not feel like doing it.

Mr. MITCHELL: I asked that question because if it is the intention of the present government to introduce a scheme of unemployment insurance, it will be necessary that they avail themselves of these employment offices; that is, if they are going to follow the policy adopted by the British government in that regard. Perhaps this might be the time to ask the minister how far the government has gone in the formulation of a policy in connection with unemployment insurance. I would ask the minister that question now.

Mr. GORDON: It will be noted that this vote does not interfere with the one which follows later on, the one which is authorized by the revised statutes of 1927, chapter 57, $150,000, and refers only to the items which I have mentioned.

With respect to unemployment insurance, I am not prepared to-night to outline any course which the government may take. The subject is a very large and baffling one and anyone who hurries into it without being fully equipped with the information and the consequences that might follow from failure, would not be adopting the course of wisdom.

Mr. MITCHELL: From the remarks of the minister am I to understand that it is not the intention of the government at any time during this session to bring before the house a policy in connection with unemployment insurance. I am not unmindful of the acute problems arising out of the adoption of such legislation in this country, or of the declarations made by responsible ministers of the present government in connection with such a scheme. But I think the house and the country, in view of those declarations, have a right to know whether it is the intention of the government this session to make a concrete announcement of policy in regard to the introduction of a scheme of unemployment insurance.

Mr. GORDON: No one knows better than does the hon. member that in matters of government policy such as the one to which he has referred I should not be called upon to indicate nor shall I indicate what course the government may take when it sees fit to adopt one. At the present time I am not in a position to indicate to the members of the committee what course the government may take.

Mr. MITCHELL: I say very frankly that I think that in the course of a depression such as that through which we have been passing, the Department of Labour should be the outstanding department of the government.

The CHAIRMAN (Mr. Bury): The hon. member's question is out of order.

Some hon. MEMBERS: Why?

Mr. MITCHELL: It may be awkward, but I think it is not out of order.

The CHAIRMAN (Mr. Bury): It is irrelevant to the subject matter now under debate, which is the question of "Administration, Employment Offices Coordination Act."

Mr. MITCHELL: I would point out, from some knowledge of the procedure in the adoption of unemployment insurance in other countries, that if you look to the British precedent, which this country has largely followed, you will find that unemployment insurance has been largely built up around the establishment of what are known there as employment exchanges, which correspond to the employment offices we have in this country. Under this vote I took the opportunity, which I think is my prerogative, of asking the question I did, in view of the reduction in expenditure in connection with these exchanges, and having in mind that possibly the government were economizing in a direction contrary to the declaration of federal ministers in connection with the adoption of an unemployment insurance scheme. Arising out of that I think it is a perfectly fair

observation for me to make at this time that insufficient attention has been paid to the Department of Labour by this government in view of the present depression. I think that department is one of the most important under the jurisdiction of the federal government. I say this in a kindly way; I think the present minister is overburdened. The functions of the Department of Immigration are enough in themselves to occupy fully the time of one minister, in view of the many decisions he has to make in connection with the work of that department. We are confronted, I understand, with an enormous building program in this country, and we have the oft repeated promises that the government are going to bring down an unemployment insurance measure. I think under this vote we have a right to question the intentions of the government in that regard. It would be different if the government in its judgment had led the people to believe that they were opposed to the principle of unemployment insurance.

The CHAIRMAN (Mr. Bury): The hon. member is out of order on that point. The question of the advisability of the government's bringing in an unemployment insurance measure is set down for discussion under public bills and orders, and has been already the subject of a debate which is not yet concluded. Further, in my opinion the hon. member has no right to ask the Minister of Labour what the government's policy is.

Mr. MACKENZIE (Vancouver): I take issue with you, Mr. Chairman. Under the estimates we are entitled to ask the administration any question about any matter of government policy whatever. I submit that the hon. member for East Hamilton (Mr. Mitchell) is quite within his rights.

The CHAIRMAN (Mr. Bury): Not in asking as to the future policy of the government.

Mr. MACKENZIE (Vancouver): I beg pardon; this is the only opportunity we have, under the estimates. When we are spending public money it is the well known right of parliament to ask any responsible minister about any feature of government policy. The hon. member for East Hamilton has demonstrated that these employment offices may well come into a scheme of unemployment insurance. I certainly resent any restriction of the discussion.

The CHAIRMAN (Mr. Bury): First may I remind the hon. member that he has no right to lecture the chair.

[Mr. Mitchell.]

Mr. MACKENZIE (Vancouver): May I say with all due deference that the chair has no right to lecture me.

The CHAIRMAN (Mr. Bury): In the second place, while hon. members have the right to discuss the actions or the past policy of the government, in my opinion they have no right in committee to ask a minister to forecast the future proposals of the government in regard to any particular matter of policy.

Mr. YOUNG: Where is the rule?

The CHAIRMAN (Mr. Bury): It is not raised in the matter before the committee, and it is out of order under the rule which says that where a matter is under debate in the house it cannot be discussed here.

Mr. MACKENZIE (Vancouver): May I ask you to quote the rule?

Mr. MOTHERWELL: The rule is that the Prime Minister answers for them all.

An hon. MEMBER: His master's voice.

Mr. VALLANCE: Surely if the matter is before the house and not disposed of we may discuss it here?

The CHAIRMAN (Mr. Bury): The subject of unemployment insurance is not before the committee.

Mr. VALLANCE: It has not been disposed of, and as the hon. member for Vancouver Centre (Mr. Mackenzie) points out, it is the prerogative of this committee to discuss any matter of public policy.

Mr. MACKENZIE (Vancouver): May I ask you to quote the rule?

The CHAIRMAN (Mr. Bury): I am getting it.

Mr. MACKENZIE (Vancouver): It is about time you got it, I think.

Mr. CASGRAIN: Send for the Prime Minister.

The CHAIRMAN (Mr. Bury): Standing order 41, paragraph 293, section (d) reads:

> Besides the prohibitions contained in this standing order, it has been sanctioned by usage both in England and in Canada, that a member, while speaking, must not:
>
> (a) anticipate discussion on a motion set down for future consideration;

Which is the motion that is on the order paper—

Mr. CASGRAIN: We agree with you, but that is not the point.

The CHAIRMAN (Mr. Bury): —and the debate on which has not yet been concluded.

Mr. LAPOINTE: May I suggest, then, that the item be allowed to stand, if we cannot discuss the subject because there is something already on the order paper.

Mr. MACKENZIE (Vancouver): Which will never come up again this session.

Mr. LAPOINTE: Surely before voting money we have the right to discuss the question.

Mr. MACKENZIE (Vancouver): May I point out that the discussion in regard to unemployment insurance is not likely to come up again this session, because next Wednesday is likely to be the last private members' day.

The CHAIRMAN (Mr. Bury): Hon. members cannot get away from the rule by an anticipation of what in their judgment may or may not happen on account of the state of the order paper. Once a matter is down on the order paper for discussion and the discussion has not been concluded, it is not proper for an hon. member to say that because it is in a certain position on the order paper it is not likely to come up.

There is another reason why I think the matter is out of order, namely that unemployment insurance, while it may be a side issue of the particular vote now before the committee, is not really relevant to the vote.

Mr. MACKENZIE (Vancouver): That is for us to find out, I think. The vote in question is "Administration, Employment Offices Coordination Act." A question was raised by the hon. member for East Hamilton, who asked the Minister of Labour if it was the intention of himself and the administration to bring in a plan of unemployment insurance this year which might involve expenditure under this item. I suggest that this committee is entitled in all fairness to ask any question of a responsible minister in regard to any matter that arises as a result of the vote under discussion. I suggest that the question of the hon. member is quite in order.

The CHAIRMAN (Mr. Bury): I have already ruled.

Mr. MACKENZIE (Vancouver): Then I am appealing from your ruling.

The CHAIRMAN (Mr. Bury): That is a different matter.

Mr. GUTHRIE: I think the chairman's ruling is absolutely right, on the ground first that the question of unemployment insurance is already on the order paper. I recall that a preceding government, when Mr. Speaker Lemieux was in the chair, kept a question on the order paper for months for the purpose of preventing discussion. It was held that we could not discuss it, on account of the rule under which hon. members may not anticipate in any discussion a matter that appears on the order paper. That rule should be maintained. I see no objection to the question asked by the hon. member for East Hamilton; that is one thing. But I see a great deal of objection to the discussion upon which he is entering on the subject of unemployment insurance. Let him ask his question and the minister will answer it.

Mr. MACKENZIE (Vancouver): He did ask it, and the minister did not answer it.

Mr. GUTHRIE: But he is not content with that; he has entered on an elaborate discussion of the whole problem of unemployment insurance. I submit he is not entitled to do that.

Mr. NEILL: I would like to point out, as I was the author of the resolution that is being talked about, that it has a different bearing from that now given to it by the hon. Minister of Justice and by you, sir. The motion I proposed reads as follows:

> That, in the opinion of this house, the most effective way to ensure protection during periods of unemployment, which unemployment insurance should provide, is to make such legislation national in its scope.

That does not necessarily involve the policy of the government with regard to unemployment insurance; I may have spoken of that, but perhaps I was out of order. The actual fact recorded in the resolution is that such protection should be national in its scope, and we might have agreed on that without getting very much closer to the policy of the government with regard to unemployment insurance. There is a distinction here. As long as the hon. member keeps away from the question whether or not unemployment insurance should be national in its scope, it does not appear to me that he would come within the terms of this resolution.

Mr. GORDON: Mr. Chairman, I cannot see how the item under discussion has any bearing on the question of unemployment insurance. It is a small item that has to do only with travelling expenses, telegrams, telephone messages, printing and stationery and repairs to the equipment in the labour offices here in the city of Ottawa, and under this

item last year, up to December 31, we expended only $3,228.49. The question arose as to the reduction from $12,000 to $8,000, and the substance of my answer was that we did not need the balance of this vote. How this vote possibly could have any bearing on the broad question of unemployment insurance is something I am unable to fathom; I cannot see any connection between the two.

Mr. HEENAN: I can easily see where the question is quite relevant to the vote now before the house. This item is for the administration of the Employment Offices Coordination Act, and it shows a reduction of $4,000. The hon. member for East Hamilton asks, and I think rightly, if it is not a fact that if there is going to be such a thing as an unemployment insurance scheme this vote would require to be enlarged. That is where the relevancy comes in, and I think the question is quite proper.

Mr. GORDON: I must take issue with the hon. member. The vote that possibly might be affected would be that under the revised statutes of 1927, chapter 57, organization and coordination of employment offices. That might have to be enlarged, but I cannot link this item up with the question of unemployment insurance.

Mr. MITCHELL: I do not know whether I am out of order, of course, but if the minister has made any study of unemployment insurance he must know that the scheme in Great Britain was built around the employment exchanges in that country. The first thing you must have in a scheme of unemployment insurance is the development of labour exchanges from one end of this dominion to the other.

Mr. BENNETT: That is not the item under consideration.

Mr. MITCHELL: The Prime Minister says that is not the item, but this item provides for the administration of these employment offices. I wondered whether the government had given up the idea, for this session at least, of introducing a scheme of unemployment insurance, and I merely asked the question because I think the country has a right to know, in view of the recent conference in connection with this matter, whether it is the intention of the government to go forward with a policy of this kind during the present session of parliament.

Mr. GORDON: I thought I answered that question a while ago, when I told the hon. member that the policy of the government with respect to unemployment insurance would be made known when that policy was decided upon, but that policy has not been decided upon by the government as yet.

Mr. CASGRAIN: When is it going to be decided upon?

The CHAIRMAN (Mr. Bury): I think the hon. member would have been quite in order had he asked the minister whether this item contained any provision for unemployment insurance, and he would have been answered in the negative, as he has been answered. I think he was out of order, when he got beyond that and asked the minister to forecast the future legislative program of the government with regard to unemployment insurance.

Mr. MITCHELL: You are merely assuming what is in the back of your mind.

Mr. VALLANCE: When the minister says no, is there no opportunity for us to discuss the possibility of unemployment insurance?

The CHAIRMAN (Mr. Bury): Not under this vote.

Mr. VALLANCE: Then may I direct your attention to the statement made by the minister that the vote which might be affected was authorized under chapter 57 of the revised statutes, 1927. This is authorized by statute, so are we to take it that we must amend the statute in order to consider this question? How are we going to do it?

The CHAIRMAN (Mr. Bury): The question could be considered by the house in a number of ways, but it cannot be considered under this vote when the minister has stated that the government has not decided on its program with regard to unemployment insurance, and that this vote does not contain any provision for it.

Mr. MITCHELL: Then may I ask to what extent the government has set the machinery in motion with the idea of bringing in a system of unemployment insurance?

Mr. VALLANCE: Have we to take your word that the government has no policy regarding unemployment insurance? You just made the statement.

The CHAIRMAN (Mr. Bury): The minister has already given his answer.

Mr. VALLANCE: I do not think that is true; you just made the statement as chairman of this committee.

The CHAIRMAN (Mr. Bury): I would ask the hon. member to take his seat. The minister has made his statement on that point.

Mr. MACKENZIE (Vancouver): We are not satisfied with the statement.

Item stands.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Tuesday, March 13, 1934

The house met at three o'clock.

COMMITTEE ON AGRICULTURE

Mr. M. C. SENN (Haldimand) presented the first report of the select standing committee on agriculture and colonization, and moved that the report be concurred in.

Motion agreed to.

QUEBEC SAVINGS BANK ACT

Hon. E. N. RHODES (Minister of Finance) moved for leave to introduce Bill No. 33, to amend the Quebec Savings Bank Act.

Some hon. MEMBERS: Explain.

Mr. RHODES: This bill is similar to the one which has been introduced hitherto at the decennial revision of the Bank Act. Its purpose is to extend the charters of the Quebec savings banks, which consist of the Montreal City and District Savings Bank and the Caisse d'Economie de Notre Dame de Quebec of Quebec city.

Motion agreed to, bill read the first and second times and referred to the committee on banking and commerce.

OATHS OF ALLEGIANCE ACT

Hon. ERNEST LAPOINTE (Quebec East) moved for leave to introduce Bill No. 34, to amend the Oaths of Allegiance Act.

Some hon. MEMBERS: Explain.

Mr. LAPOINTE: This bill is similar to the one which I introduced last year at the end of the session but which could not be discussed at that time. Its purpose is to amend the form of the oath of allegiance which all public officials have to take. It is intended to change the word "possessions" to "dominions," to agree with the title which His Majesty has had since the Imperial conference of 1926. It is intended also to strike out the words "dependent on and belonging to the said kingdom," which appear after the words "Dominion of Canada." These words are not true, they are against constitutional law and national dignity.

Motion agreed to and bill read the first time.

SURVEY OF NATIONAL PORTS

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, I should like to inquire of the Minister of Marine (Mr. Duranleau) in connection with a question asked previously in the session as to the intention of the government to introduce legislation implementing the report of Sir Alexander Gibb on the national harbours.

Hon. ALFRED DURANLEAU (Minister of Marine): The matter is still under consideration.

WHEAT AGREEMENT

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I promised the hon. member for Weyburn (Mr. Young) that at an early date I would endeavour to make a statement with respect to the wheat agreement. As the provincial legislation in connection with this matter will be introduced to-day or to-morrow I think it desirable to make a statement at this time. During the last few months the dominion government and the governments of the three prairie provinces have been considering the action which should be taken to make effective the London wheat agreement so far as it relates to Canadian interests. Legislation has been agreed upon by the four governments and will be introduced to-day or to-morrow in the legislatures of the provinces of Manitoba, Saskatchewan and Alberta.

The proposed legislation empowers the lieutenant governor in council in each of the provinces to set up what is termed an emergency wheat control board, with power to licence and restrict within the province sales and deliveries of wheat. Provision is made also that in addition to or in lieu of such board a joint board may be established by the three prairie provinces or by one or more or all of the provinces in conjunction with the dominion. Such a board, if created, will be clothed with all the powers usually vested in what is commonly described as a "wheat board." The provisions dealing with the

licensing of sales and deliveries of wheat within the several provinces can, of course, be enacted by the legislature of a province, but legislation of this parliament is required to permit control of sales and deliveries outside the provinces. With respect to a wheat board, parliament will be invited to enact the necessary legislation to enable the government, in the event of the four governments being of the opinion that the necessity for same exists, to cooperate with the provinces in establishing a board, with all the necessary authority and powers to deal with any situation which may arise. It will be observed that the proposal contemplates the enactment of enabling legislation so that problems that may arise by reason of an unexpectedly large crop or from any other circumstance can be effectively dealt with.

The bills introduced to-day or to-morrow—I believe it is possible that they may not all be introduced to-day—into the legislatures of the several provinces will provide that the lieutenant governor in council shall, on and after the date upon which the act founded on the bill is assented to, and prior to the date of the establishment of the board or joint board, as therein provided, have power by order in council to make all such orders, rules and regulations, and do all such acts and things as in the opinion of the lieutenant governor in council may be necessary and requisite to bring the production of wheat in the province concerned in the year 1934 into proper alignment with the estimated current export demand for the crop season 1934-35 and normal domestic requirements in the same period, having regard to the quota applicable to the Dominion of Canada as provided by article 2 of the London wheat agreement.

I may add, for the information of the house, that officials of this government have been in the past few weeks in consultation with the governments of the three prairie provinces. The steps already taken, together with the contemplated action, as provided by the proposed legislation, will, in the opinion of the governments concerned, fully implement the undertakings of the dominion under the London agreement..

Some time ago the hon. member for Weyburn asked a question which I promised I would answer more fully when I had obtained further information which I was then securing. Hon. members will recall that negotiations and consultations among the four overseas wheat exporting countries had been in progress under the auspices of the League of Nations for some time before the London wheat agreement was signed. As a result of those discussions it was possible to allocate among the overseas exporting countries quotas for the crop year 1933-34 within the terms of article 1 of the agreement. At the time of the signing of the agreement, no quota had been agreed upon for the U.S.S.R., nor had a final agreement with respect to such quota yet been concluded but it is expected that at the meeting at Rome next month a satisfactory arrangement will be reached.

The four overseas exporting countries agreed, by article 2 of the London agreement:

> to limit their exports of wheat during the crop year the 1st August, 1934, to the 31st July, 1935, to maximum figures 15 per cent less in the case of each country than the average out-turn on the average acreage sown during the period 1931-33 inclusive after deducting normal domestic requirements.

The determining of the quotas under the provisions of this article is, in the main, a statistical operation. In the case of the four overseas exporting countries, the three years 1931, 1932 and 1933, are used for computing the average acreage, and the yield per acre is determined over a ten-year period.

It is to be borne in mind that the purpose of the agreement is to raise the price of wheat, which can only be done when the surplus carryovers have been removed from the market. In this regard we must distinguish between formal obligations contained in an international agreement and collateral measures of domestic policy which may have to be taken to give effect to the provisions of the agreement. The measures of domestic policy taken by the signatory countries will not be identical. Argentina and Australia have, for instance, stated that they are not in a position to agree to any precise acreage reduction although they are willing to reduce their exports by the accepted figures and to take the necessary action to prevent the accumulation of further surplus stocks. The United States has definitely decided to reduce acreage by 15 per cent and has put into effect a wheat adjustment program for that purpose.

So far as Canada is concerned, having accepted an export quota for the period ending 31st July, 1935, it becomes a matter of national interest that our production in that period should not exceed the domestic requirements plus the export demand. The measures necessary to ensure this have been determined by the appropriate Canadian authorities. It is obvious, of course, that there is no international agreement determining the methods to be adopted by the governments of Canada and the several provinces to give effect to the agreement.

It might be well to refer to a statement made in this house as to the influence of government purchases of wheat in recent years in increasing normal carryovers. The use of the words "government purchases" is, of course, inaccurate, for what the government has done is to guarantee the obligations created by the purchasing agency, namely, the pool agency at Winnipeg. The following table gives the Food Research Institute figures for world carryovers for the past six years, as of August 1, together with the Canadian carryovers on the same dates, and the percentages which the Canadian stocks form of the world totals:

(In millions of bushels)

Year—	World carryover	Canadian carryover	Percentage which Canadian carryover forms of world carryover
1928	705	92	13%
1929	970	127	13.1%
1930	922	127	13.8%
1931	1,007	140	13.9%
1932	996	136	13.7%
1933	1,106	219	19.8%

Owing to the abnormal crop of 1932 the world carryover in 1933 had reached 1,106 million bushels, the Canadian carryover being 219 million bushels or 19·8 per cent of the whole.

Most of the increase in world carryovers of wheat has been due to the inability to absorb the huge wheat crops of 1928 and 1932. The record world crop of 1928, which amounted to 4,712 million bushels or to 3,905 million bushels—ex Russia—caused the major rise of 265 million bushels between August 1, 1928, and August 1, 1929. There was then no great increase in carryovers until the large crop of 1932 caused an increase of 110 million bushels between August 1, 1932, and August 1, 1933. There will be a decrease on August 1, 1934.

Canada was carrying 13 per cent of the world's supply on August 1, 1928. It increased to 13·8 per cent by August, 1930. It remained at the 1930 level throughout 1931 and 1932. From 1928 until 1932 there was only a fractional variation in that five-year period. That ratio was not disturbed until August last, when it reached 19·8 per cent. We need not search far to discover the cause of the increase. The crop of 1932 in this country reached the huge total of 443,000,000 bushels from a record of 27,200,000 acres. Our exports from that crop reached the very large total of 264,000,000 bushels, or 43 per cent of the total export trade of the world for that year, as compared with the ten-year average of 37 per cent. I particularly direct the attention of the house to these figures. There can surely be no complaint when our share of the world available trade reached such large proportions, and yet, in spite of such unusually large exports in that year, there was left from that crop some 80,000,000 bushels to be added to our carryovers from past years, dating back to 1928.

Prices have not been maintained at a fixed level but rather they were supported, particularly during the seasons of the year when farmers were, from necessity, forced sellers of their production in order to meet the demands and needs of their creditors. Export demand, at such times, was utterly inadequate to absorb the farmers' sales, as it always had been throughout past years, and owing to world excessive supplies, speculative as well as investment buyers, who in normal times were purchasers of wheat, were practically non-existent. Under these circumstances, the government has enabled the Canadian Cooperative Wheat Producers, Limited, to purchase all grain that was not otherwise sold. Had it not done so, what would have been the position of the wheat market to-day? The farmer would have hauled his grain to the elevator, would have been unable to sell it and there it would have remained and finally would have been backed up on to his farm; and you would have had absolute chaos, which would have been destructive to the whole economic life of Canada. There has been no speculation in wheat, and the wheat that has been bought is now being held and sold as demand offers, not for speculation but for export. It would therefore appear that any criticisms that the action of the government in preventing chaotic marketing conditions has brought about an increased surplus are not founded on facts.

The London agreement sets the world quota of wheat exports in the 1933-34 crop year at 560,000,000 bushels. The following table shows

the division of this world quota among the different exporting countries, the export movement from the first of August to the end of February, and the balance of the quotas remaining to cover shipments in the remaining five months of the crop year:

	Export quotas August-July, 1933-34	Export movement August-February	Balance of quotas for export March-July, 1934
	(million bushels)		
Argentina	110.0	65.0	45.0
Australia	105.0	54.0	51.0
Canada	200.0	121.0	79.0
Danubian countries	54.0	27.0	27.0
United States	47.0	19.0	28.0
Others, including U.S.S.R.	44.0	26.0	18.0
Totals	560.0	312.0	248.0

The other countries, including the soviet union, had an export quota, as then fixed, of 44,000,000 bushels, although it is subject to final determination at Rome or sooner if an agreement can be reached. As the table shows, 26,000,000 bushels of this had been shipped to the end of February and there remains a balance of 18,000,000 bushels.

The advisory committee set up under the provisions of the London agreement is holding a meeting at Rome on April 5 next, when the matter of increasing the consumption of wheat will be discussed by the countries affected and such measures taken as, in the opinion of those present, will result in the diminution of the surplus carryovers that threaten the wheat prices of the world.

The question of endeavouring to settle the final quota for Russia will also be brought before the advisory committee and, if possible, disposed of.

Mr. E. J. YOUNG (Weyburn): The Prime Minister says that Canada's quota under the agreement would be 200,000,000 bushels, but if we figure our quota on the basis suggested by himself, that is a three-year average acreage and a ten-year average yield, our quota would be 292,000,000 bushels. Will he explain the discrepancy?

Mr. BENNETT: Perhaps the hon. gentleman was unable to follow me because I was reading rather rapidly. The quota for the year ending July 31, 1935, is to be settled in the manner I have indicated by the statisticians on the three-year average acreage multiplied by the ten-year average yield. The quota of 200,000,000 bushels for the crop year ending July 31, 1934, was settled by agreement on the basis of the figures supplied as to our crop, and the figures I have just given as to the shipments already made and the balances remaining to be made indicate that the quantity was perhaps in excess of any amount that we would be able to ship.

[Mr. Bennett.]

Mr. YOUNG: I am not yet clear as to the meaning of this agreement. If I understood the Prime Minister aright, our quota for the year 1934-35 is to be based upon the ten-year average yield on a three-year average acreage, but article 2 of the agreement says the three-year average yield on a three-year average acreage. That is the difficulty.

Mr. BENNETT: If the hon. member will look at the agreement, that is not what it says. I admit that it is open to that construction, but if he will look at it carefully I think he will see that it does not say that. It says 15 per cent less in the case of each country than the average out-turn on the average acreage sown during the period, and the average out-turn is for ten years and not for three.

Mr. YOUNG: The ten-year period is not mentioned at all.

Mr. BENNETT: No, but that is the fact.

Mr. YOUNG: It is not in the agreement.

Mr. BENNETT: That is how the statisticians agreed that the quota should be reached. That is, the average yield was taken over a period of ten years as being fair. I think the figure is 17½ bushels per acre, but it was thought a fair average acreage would be one taken over a three-year period.

Mr. YOUNG: Are all the other countries agreeable to that interpretation?

Mr. BENNETT: Yes; that was the agreement arrived at, and when the agreement was drafted late at night there was some difficulty about the translation. That was observed, but there was no difference as to the manner in which the computation was to be made. There was difficulty in determining what, under those circumstances, should be the quota for Russia, and I have explained that point. This talk about a supplementary agree-

ment is talk that relates to the quota for Russia, and when that quota has been determined the whole matter will then be reduced to a formal document. In the meantime, as I explained to the hon. gentleman, we agreed to 200,000,000 bushels as the quota for Canada for the year ending July 31, 1934. The manner of the computation for 1934-35 is as I have indicated: a three-year average acreage multiplied by the average yield over a ten-year period.

DELAY IN THE MAIL FOR GENTILLY

On the orders of the day:

Mr. L. DUBOIS (Nicolet) (Translation): Mr. Speaker, I wish to ask the hon. Acting Postmaster General (Mr. Dupré) a question relating to a telegram I received this morning and which reads as follows:

Gentilly, March 12, 1934.

Mr. Lucien Dubois, M.P.,
House of Commons, Ottawa.

Monday, four o'clock, have not received any mail since Saturday morning. The postmaster has not been notified on what train it will arrive. The "Curé" has received no reply from the deputy minister, since ten days.

A. Moras.

Will the hon. minister inform the house whether he will immediately take whatever steps is necessary?

Hon. MAURICE DUPRE (Acting Postmaster General) (Translation): In reply to the hon. member, I shall investigate the matter immediately so as to remedy the situation as soon as possible.

BUREAU FOR TRANSLATIONS

On the orders of the day:

Mr. E. R. E. CHEVRIER (Ottawa): I desire to ask a question of the Secretary of State (Mr. Cahan). Perhaps I should have asked this question in French but as I had no opportunity of communicating the matter to him beforehand, I think I should in order to be fair ask the question in English. I desire to refer the hon. minister to page 1282 of Hansard, about the middle of the page, where he is reported as having said:

> I have received statements from certain gentlemen who have qualifications as translators and who are bilingual by education and experience.

On the next page, on the lefthand side, in answer to a question which I asked, the hon. minister was pleased to answer:

> You will have to seek the information from them.

Now I have before me the file of the daily French paper, La Presse of Montreal, of Friday, March 9, in which the parliamentary correspondent of that paper has placed the following words in the mouth of the hon. minister. In order to do no injustice to the minister I shall not endeavour to translate his speech into current English, but so that there may be no mistake about the accuracy of the translation I shall do it literally:

> The worth of this work having been put in doubt, and not having myself unfortunately that which is necessary to judge of these criticisms. I have addressed myself to two recognized authorities: Pierre Lefort special correspondent of La Presse, and the Chanoine Chartier, vice rector of the university of Montreal.

The two questions which I now desire to direct to the hon. minister are, which of the two reports, that of Hansard or this press report, correctly reports what the hon. minister said at that moment? Did the hon. minister in any manner solicit any opinion from these two experts, as is alleged by Pierre Lefort in this article?

Hon. C. H. CAHAN (Secretary of State): My answer to that, Mr. Speaker, is that I will look at the article if the hon. gentleman will send me a copy, and I will compare it with what I stated. Regarding the latter question, as to whether I solicited opinions from any person, that is a matter about which the hon. gentleman has no right to ask and I certainly shall not answer it. As a minister of the crown I think that if I wish to know whether a translation made by a translator of this house is correct or not I have a perfect right to ask the opinion of any gentleman I choose.

Mr. CHEVRIER: Then I shall summon these people and find out from them.

RECOGNITION OF MANCHUKUO

On the orders of the day:

Mr. J. A. BRADETTE (Timiskaming North): Mr. Speaker, I beg to direct a question to the right hon. Prime Minister as Secretary of State for External Affairs. Has the government of Canada recognized officially the new state of Manchukuo?

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the answer is in the negative.

ROYAL CANADIAN MOUNTED POLICE

Hon. HUGH GUTHRIE (Minister of Justice) moved the third reading of Bill No. 22, to amend the Royal Canadian Mounted Police Act.

Motion agreed to and bill read the third time and passed.

CANADIAN NATIONAL RAILWAYS

AGREEMENT RESPECTING TRACKS AND PREMISES AT SAINT JOHN

Hon. R. J. MANION (Minister of Railways) moved the third reading of Bill No. 23, to ratify and confirm the agreement respecting the joint use by the Canadian Pacific Railway Company of certain tracks and premises of His Majesty at Saint John, N.B.

Motion agreed to and bill read the third time and passed.

AGREEMENT BETWEEN CANADIAN NORTHERN ONTARIO RAILWAY COMPANY AND THE CAMPBELLFORD, LAKE ONTARIO AND WESTERN RAILWAY COMPANY

Hon. R. J. MANION (Minister of Railways) moved the third reading of Bill No. 24, to ratify and confirm an agreement made between the Canadian Northern Ontario Railway Company and the Campbellford, Lake Ontario and Western Railway Company.

Motion agreed to and bill read the third time and passed.

FRUIT ACT AMENDMENT

Hon. ROBERT WEIR (Minister of Agriculture) moved the second reading of Bill No. 26, an act respecting fruit.

Motion agreed to, bill read the second time and referred to the select standing committee on agriculture and colonization.

SUPPLY

DEPARTMENT OF FISHERIES

The house in committee of supply, Mr. Morand in the chair.

Fisheries—to assist in the conservation and development of the deep sea fisheries and the demand for fish, $85,000.

Mr. BRADETTE: I think it is in order to ask the minister what I asked yesterday on the same estimate, as to the intention of the government or the department in regard to Hudson bay and James bay.

Hon. ALFRED DURANLEAU (Acting Minister of Fisheries): I listened yesterday with great attention to my hon. friend in regard to the possibilities for the fishing industry in Hudson bay and James bay. I have discussed the matter with my officials and I must state frankly that we cannot contemplate any further investigation in those bays this year. It may be that in the future we can do something, but not this year. I may state to my hon. friend for his information that private interests are extensively concerned in the fishing industry in those waters.

As a matter of fact, we are helping as much as possible all those who desire to enter the fishing industry there. In 1931 we issued three fishing permits; in 1932 four other permits for fishing in those bays, in 1933 we issued four permits, and this year we have issued one permit to the Albany River Fishing Company, Limited. We anticipate that many other companies will start fishing next summer. The department is quite satisfied that surveys have been made, are being made and will be made during the coming season by those private concerns in order to locate the best spots for fishing in those waters.

Mr. BRADETTE: Will the minister tell the committee if those private concerns have any direction from the government to make those inquiries? As the minister appreciates, my question relates to an expanse of water of nearly 700,000 square miles, so unless those private concerns go there with definite direction from the government they are not likely to make an investigation for the sake of the government. I appreciate what the minister has said, but will he be a little more explicit as to when we might expect a more thorough inquiry to be made?

Mr. DURANLEAU: The report of the investigation made in 1930 might be of some use to those interested, and I may add that a few days ago I had a request from a certain individual who wants permits for several fishing boats. That gentleman told me that he knew the best spots for fishing in those two bays, and that other people also knew where to go. So at the moment I do not think it would be advisable for the government to incur the expense of a further survey. If in future we have such requests from various parties we will look into the matter and see if we would be justified in making a further survey.

Mr. BRADETTE: I may tell the minister that the request comes from that entire section of the country, and surely the pressure should be as great coming from the people living in that country as it would be coming from people directly interested in the fishing. I believe the government owes it to itself and to our section of the country to take the lead in such an investigation and not leave it to private interests. I think they should take the initiative, and I believe the work should be wholly under the direction of the government.

Mr. HANSON (York-Sunbury): I should like to ask my hon. friend if it is not true that in 1930 the then Minister of Fisheries

did have an investigation made into the possibilities of commercial fishing in Hudson bay, and that the report was adverse?

Mr. BRADETTE: The report was adverse, but the investigation took only a short time.

Mr. CASGRAIN: I should like to ask the minister if he has any report to give the committee with reference to the negotiations that were supposed to be going on between his department and the government of Quebec with regard to increased cooperation between the provincial and federal governments. I remember that a long debate took place in this house two or three years ago, and the then Minister of Fisheries, who is now Minister of Finance, said there would be cooperation as far as this government could bring it about between the federal and provincial governments. I saw in the press some time after that some mention of interviews between the minister who is piloting these estimates to-day and officials of the provincial government with the view of improving conditions in Quebec. I should like to ask the minister if he has any report to give the committee as to the progress that has been made along these lines.

Mr. DURANLEAU: I have no report to make on the subject as yet. It is true that conferences and interviews took place and that correspondence has been exchanged between the provincial and federal authorities with regard to cooperation having in view the betterment of fisheries in Quebec, but nothing definite has been arrived at as yet. We had planned a French school for fishermen and inspectors on the Gaspe coast, in Gaspe itself. I hope these negotiations will eventually lead to the establishment of such a school, where two or three French teachers will instruct in the curing and canning of fish and so on, but nothing definite has been agreed upon. The provincial government was supposed to supply the building and the federal authorities were to provide the teachers.

Mr. CASGRAIN: During the last few days I have been in receipt of many resolutions from various municipalities in the province of Quebec, who apparently are alarmed because the government has not made the headway that was expected. I have none of the resolutions before me, but I think I received about a half dozen to-day, and they all complain of the situation which exists in the fishing industry in the province of Quebec. Some of them even go so far as to ask that the order in council passed in 1922 giving the administration of fisheries to the provincial government should be repealed, if that is the only way to bring about an improvement in the condition, and I think I even went so far as to advocate such a step during the course of the debate in this house two or three years ago. In view of the difficulties with which we are faced to-day, and in view of the fact that a moment ago the minister said that it was hoped to do something on the coast of Gaspe, though apparently nothing has been done yet, I think this is the proper time to have the minister who is in charge of this very important department make a statement not only as to what is supposed to have been done but as to something tangible that will be done in order to relieve the situation. It is all very well for the minister to come here year after year and tell us that negotiations have been entered into between his government and the provincial government, but nothing has been done, and the people on the north shore are asking that action be taken by this government.

I do not think the minister can get away with that answer to-day. Last year we were told that an institution would be established on the coast of Gaspe to help the fishermen in the province of Quebec. I think at that time the minister said he could not proceed with the project because of the lack of money, that they were not ready to undertake this work. This year I think some steps should be taken in that direction, because if this is not done the fishing industry will go from bad to worse. The people in that part of the country have had a hard time to make both ends meet; they have been barely able to secure a living for their families and themselves, and most of the fishermen in the part of the country which I have the honour to represent are on direct relief. I have no doubt the minister has recevied many requests that these people be assisted. I think we should be given a better statement than the minister has given so far; I do not think it is enough to say that this project could not be proceeded with. Why has nothing been done? Why can they get nothing done for the fishermen of the province of Quebec, when a resolution was adopted by this house two years ago urging this government to cooperate with the government of that province? That resolution was tantamount to an order directing the government to take some steps in that direction. What steps have been taken, and in what way? To-day the minister is mum; he has nothing to say as to what is going to be done, if anything. If we cannot get ministers of the crown more responsive

to the people than those we now have sitting on the treasury benches, some day the people will clear out the whole administration. I am surprised that the minister is not able to give me any answer.

An hon. MEMBER: Give him a chance.

Mr. CASGRAIN: I am going to give him a chance. I ask him to give me the reason why this school has not been started in Gaspe, which was supposed to be the first step. The minister need not tell me there is no money; there is money for some other institutions, some other boards and for other ventures which here and there the government have seen fit to patronize. Surely there ought to be a certain amount of money to put at the disposal of the Department of Fisheries for the help of the fishermen of the province of Quebec.

Mr. DORION (Translation): Mr. Chairman, may I add a few words to what has been stated by the hon. member for Charlevoix Saguenay (Mr. Casgrain). It cannot be gainsaid that the situation of fishermen on the Gaspé coast and of those on the north shore of the St. Lawrence river is absolutely intolerable. However, we must take into consideration the fact that in 1922 the Liberal government passed an order in council transferring all its fishery rights to the government of Quebec. Since that date, the fisheries come directly under the administration of the provincial government. It is now requested that the Dominion government collaborate with the Quebec government, and it is contended that if there is no co-operation or if anything goes wrong, the Dominion government will be held responsible; but when all is well the Quebec government gets the credit for it. There is but one remedy and that is to cancel the 1922 order in council.

Mr. CASGRAIN (Translation): I suggested and requested it.

Mr. DORION (Translation): What should be done is the return of the control of all the Quebec fisheries to the Dominion government and to put matters as they stood before this order in council was passed. Were we to probe this question, or hold an inquiry in order to find out why the control of the Quebec fisheries was taken away from the Dominion government, it would be shown that it was simply to favour a few persons who wanted to take possession of the salmon fishing in the rivers on the north shore and the Gaspé coast.

Mr. DUPUIS (Translation): Name these persons.

[Mr. Casgrain.]

Mr. DORION (Translation): The list would be too long; the hon. member for Laprairie Napierville (Mr. Dupuis) must be aware of this fact because he has had the occasion of visiting Gaspé and the north shore. These persons intended not only to take possession of the salmon rivers of the Gaspé peninsula and the north shore of the St. Lawrence, but to also control the estuaries of these rivers and that was the reason the dominion government was requested, in 1922, to pass an order in council. I think that the only real remedy to the situation, under the circumstances, as I had the occasion of suggesting to the Minister of Marine (Mr. Duranleau) would be to cancel the order in council of 1922, so that the control of the fisheries of Quebec would be returned to the dominion government as it was previously and as it is the case in all other provinces.

Mr. CASGRAIN (Translation): I do not agree with all the remarks of the hon. member for Quebec Montmorency (Mr. Dorion), for instance, when he states: when all is well the government of the province of Quebec takes the credit, and when all goes wrong, the Dominion government is blamed.

All are aware that if depression exists in this country, the dominion government must be held responsible. It is not the provincial government which is at the helm of affairs in Ottawa, but those who sit to your right, sir. The fisheries are federal property and only their administration is the prerogative of the provincial government.

As to the repeal of the order in council of 1922, I suggested it, when I brought up the subject about two years ago and a discussion ensued. I again suggest it, to-day, because the Quebec government has not at its disposal experts like the dominion officials of the Department of Marine. The order in council not having been repealed, we are forced to request the co-operation and good will of the two governments. The hon. minister cannot assert that Quebec refused to cooperate in improving the fisheries of the province. He cannot make such a statement, because it would not be true. The Quebec government is willing to co-operate with the Ottawa government—whether it is a Liberal or Conservative administration—to improve the situation. Negotiations have been carried on to this effect. I should like to know why, after stating, I think, last year, that a biological station would be established on the Gaspé coast as soon as possible, the minister did not implement this promise of establishing that station to help the fisheries of Gaspé and those of the north shore of the St. Law-

rence river. Why this delay to open up this biological station? The establishment of this station with the co-operation of the hon. minister and his officials together with that of the Quebec department of Fisheries, would be an embryo, a first help, on the part of both governments, to improve the situation of the fisheries on the Gaspé coast and the north shore of the St. Lawrence river.

We agree on that point: we must endeavour to improve the situation of the fisheries, however to reach this aim, the dominion government and the hon. Minister of Marine must show their good will and put in practise what they advocated. We are informed that the dominion government could not do more because apparently no funds were at their disposal. The government seem to have funds for many enterprises; however, when it is a question of the Quebec fisheries, there seems to be very little funds. I think the government could find the necessary funds to establish this biological station and the Quebec government would certainly contribute its quota.

Mr. POULIOT (Translation): Mr. Chairman—

Mr. CASGRAIN (Translation): Is there no reply?

Mr. POULIOT (Translation): Referring to page 606 of Hansard, I find that the fish exports to the various parts of the British Empire, in 1933, that is, after the Imperial Conference, amounted to $2,116,116 less than in 1930, and to foreign countries, $9,521,337 less; a total decrease, comparing 1933 to 1930, of $11,637,453. Therefore, the Canadian fish exports to the various parts of the British Empire and foreign countries have considerably decreased.

Mr. DUGUAY (Translation): Would the hon. member kindly give the amount in pounds instead of money?

Mr. POULIOT (Translation): My reply to the hon. member is that I put the same question to the Bureau of Statistics and I could not obtain the amount in pounds. The answer would have been too long because the quantity of each species of fish would have had to be enumerated. If the hon. member wishes to get the information he may forward his request to the hon. Minister of Marine who, he will find, is always willing, courteous and an example for the hon. member to emulate in the house. As to fish and fishery products, by comparing 1932 to 1930, we note a decrease of $21,847,107. May I ask the Minister of Marine why this decrease in value in the fishery products and how many fishermen were affected by this situation?

Mr. MARCIL (Translation): Mr. Chairman—

Mr. POULIOT (Translation): I shall avail myself of this opportunity—without wishing to interrupt the hon. member for Bonaventure (Mr. Marcil)—to point out an error in Hansard on the same page, in a quotation by the right hon. Prime Minister. In the second column 188 cwts. of fish is mentioned, while it should read 188,000 cwts.

Mr. MARCIL (Translation): Mr. Chairman, this question of cooperation between the two governments of Ottawa and Quebec in connection with the fisheries, dates away back. I had the privilege, in 1897, of being the Liberal candidate, in Gaspé, against the Hon. Mr. Flynn, then Prime Minister of Quebec, His campaign plank was the fishery question, he maintained that the fisheries should be the prerogative of the Quebec government. He won his election by a majority of one vote—that was rather a small majority. Eleven votes which he gained following a recount, were the result of a cablegram from London, which he received a few days before the voting day, informing him of the Privy Council's decision, that in the future salmon fishing permits would be issued by the Quebec government. So they have been issued for quite a long time. Therefore, if we go back to 1897, almost ancient history, thirty-five years ago, we note that, at that period, there already existed a divergency of views between the two governments.

It gave me much pleasure, to hear from the lips of the minister, on Friday, that he was, at present, negotiating with the Quebec government in order to come to some arrangement in this respect. What interests me most, is the welfare of the people. These poor fishermen, on behalf of whom Mgr. Ross, the eminent bishop of Gaspé, has pleaded, are very downcast, at present, and an "entente" between the two governments is greatly hoped for. I am pleased to hear that the hon. Minister of Fisheries is considering the question, and I have the assurance that the Hon. Mr. Laferte, Minister of Fisheries, in Quebec, is also disposed to do everything possible to arrive at some arrangement. If it is necessary, for the welfare of the fisherman and the success of the Quebec fisheries, that the provincial government should release the control which it has over the fisheries, at present; I feel certain that the Quebec prime minister, who is broadminded and highly esteemed in the province would take such a

step. Proofs would have to be given him first—and that is but fair—that the Quebec government is not in a position to look after the fisheries in deep water. On the south shore of the Baie des Chaleurs, the fisheries are owned by the province of New Brunswick. This province allows the Dominion government to administer its fisheries. Such an arrangement might be possible between the Quebec provincial government and the Dominion government.

I was pleased to hear the hon. Minister of Fisheries state, last Friday, that, while on his visits to the Gaspé peninsula he had had a talk with Bishop Ross, and had himself ascertained that Quebec fisheries were, indeed, in a sad plight. I trust that before long some "modus vivendi" will be agreed upon between the two governments and a considerable improvement will be the result.

Meantime, I congratulate the minister on his intention of establishing a biological school at Gaspé or in the best suited locality the commission may find in that county, thus giving these people whose forbears were the first to settle this country, instructors speaking the French language. We too often forget, we, French Canadian members, who constantly speak English in deference to our colleagues, that both languages are official. When the Dominion government places English speaking instructors in New Brunswick, the people of Quebec are likewise entitled to have French speaking instructors. I was, therefore, pleased to hear that the minister intended to place French speaking instructors in this new biological school which will cater not only to the counties of Gaspé, Bonaventure and the Magdalen Islands, but also to the whole gulf of St. Lawrence, including the counties of Saguenay and Chicoutimi; thus putting us on an equal footing with the people of other provinces. We have to contend with our climate and strive against difficulties which exist neither in British Columbia nor in Nova Scotia where the fisheries are opened twelve months in the year. For these reasons, I think the Minister of Fisheries and the Dominion government should see that the people of Gaspé receive the necessary help, even a generous one. Owing to the difficulties encountered in earning a livelihood, the population of my county, I regret to state, has dropped by a few thousands within the last 25 years, due to the lack of encouragement, communication facilities, markets to dispose of their fish and other reasons for which no government in particular is responsible, neither provincial nor federal.

[Mr. Marcil.]

Indeed, this problem must be solved and if the hon. minister can come to some arrangement with the Quebec government in order to settle this question, he will be looked upon as the benefactor of those people.

Mr. DURANLEAU (Translation): Mr. Chairman, first, in reply to the question of the hon. member for Témiscouata (Mr Pouliot) who has noted a decrease in the exportation of the fishery products, I may state, that in no way is this astonishing, if we consider that, owing to the world-wide crisis, which has lasted three or four years, all countries are exporting less products. The lower price obtained is also one of the causes of the decrease in exports.

I can only state to my hon. friend that the Department of Fisheries is doing its utmost to foster the exportation of our sea and river products, by making regulations and seeing that they are enforced, so that our products may be shipped abroad in the best condition possible, endeavouring thereby, to raise the standard of our products on foreign markets. I feel certain that within a few years our fish exports will greatly increase.

I am somewhat amazed to hear the hon. member for Charlevoix-Saguenay (Mr. Casgrain) criticize so sharply the Quebec provincial administration of fisheries.

Mr. CASGRAIN (Translation): I did not criticize it.

Mr. DURANLEAU (Translation): In 1922, however, our Quebec government friends requested the administration of the provincial fisheries—

Mr. CASGRAIN (Translation): I was not consulted in this respect.

Mr. DURANLEAU (Translation): —under the plea that the provincial government was in a better position to put that administration on a more productive basis, and improve the lot of the fishermen of that province.

Mr. DORION (Translation): Especially the salmon fishermen.

Mr. DURANLEAU (Translation): I suppose that my hon. friend from Charlevoix-Saguenay did not find fault, at the time, with the order in council—

Mr. CASGRAIN (Translation): I was not consulted concerning the matter.

Mr. DURANLEAU (Translation): —and the arrangement which was made between the provincial and Dominion governments.

Mr. CASGRAIN (Translation): I was not consulted.

Mr. DURANLEAU (Translation): That is astonishing.

Mr. CASGRAIN (Translation): I was not a member of the government.

Mr. DURANLEAU (Translation): That is astonishing, the hon. member being one of the representatives of the lower St. Lawrence, one of the most important representatives of the northern coast of the St. Lawrence river.

Mr. CASGRAIN (Translation): No, pardon. If the hon. minister will allow me, I did not represent, at the time, the Saguenay county, my constituency only extended to the Saguenay river, I did not represent the northern coast.

Mr. DURANLEAU (Translation): My hon. friend had his eyes on the whole northern coast then, and must have taken an interest in the welfare of the fishermen.

Mr. CASGRAIN (Translation): I was not as well acquainted with the situation of the fishermen as I am to-day.

Mr. DURANLEAU (Translation): It was precisely because he was interested in the welfare of the fishermen of that section of the province that he was called upon later, to represent them.

Mr. DORION (Text): A tout pêcheur miséricorde.

Mr. DURANLEAU (Translation): I must state to my hon. friend that opinions vary among members opposite and the people of Quebec as regards measures to be taken to improve the lot of the Quebec fishermen. Some say: "We shall request this French speaking school at Gaspe." Others say: "That is unnecessary, that is not what we want. What is required is some agreement between the two governments to cancel the 1922 order in council and return the administration of the fisheries to Dominion government." Others again contend: "The Quebec government's administration of the fisheries is above reproach." And I think an attempt was made to prove that the provincial government's administration of the fisheries was efficient, if I am to judge by the debate which took place recently in the Quebec Legislative Assembly. Naturally, a request was made for the collaboration of the Dominion government, however, it was stated: "The province had well looked after the fisheries, improved the lot of the fishermen." I am therefore amazed to-day to hear the hon. member for Charlevoix-Saguenay draw such a gloomy description of the situation. The hon. member for Bonaventure (Mr. Marcil) and the hon. member for Charlevoix-Saguenay differ in opinion in this respect. At all events, sir—

Mr. CASGRAIN (Translation): Action, is all I request.

Mr. DURANLEAU (Translation): At present, the fisheries are within the purview of the provincial authorities, and I do not think that one is justified in criticizing the Dominion government in this respect. The hon. member for Charlevoix-Saguenay states that he would be willing to request the repeal of the 1922 order in council. Does my hon. friend imagine that we could proceed "ex parte" in this affair? It is an agreement concluded between the Dominion and provincial governments and he knows that it is not by another agreement that we could improve the situation. The Quebec government has never requested us to abrogate what was done in 1922.

Did my hon. friend suggest to the provincial authorities that they should request the Dominion government to resume the administration of all the fisheries which were under its control? As to the Acting Minister of Fisheries, he is as willing as he was last year, he has not altered his stand in this respect, he is ready to cooperate and grant all that was requested by the Hon. Mr. Laferté, namely, instructors speaking the French language—

Mr. BARRETTE (Translation): Hear, hear!

Mr. DURANLEAU (Translation): —in a school of biology which will be located in Gaspe, on premises chosen by the provincial government. These instructors should even be chosen by the provincial authorities. Young men having a fair knowledge of fisheries were to be assigned to the biological school at Halifax, for a year, so as to acquire a more thorough knowledge of fisheries, thus qualifying them to take charge of the Gaspe school, the following year. I am informed that the Quebec government sent a few young men to Europe to qualify as specialists in fisheries and biology and they are probably those who will take charge of the school referred to. My hon. friend from Charlevoix-Saguenay will realize that one cannot accomplish in one day what we, the Dominion government, intend to carry out in conjunction with the provincial department of fisheries.

Mr. DUGUAY (Translation): May I inquire of the hon. minister whether the Dominion government made a proposal to the provincial government toward reestablishing the situation as it existed previous to 1922?

Mr. DURANLEAU (Translation): There has been no request from the provincial government to that effect.

Mr. DUGUAY (Translation): Has there been a request from the Dominion government to the provincial government to reestablish matters as they were previously?

Mr. DURANLEAU (Translation) No request of that nature was made to my department by the provincial authorities, likewise none was made by the Dominion government to the provincial government.

Mr. DUPUIS (Translation): I wish to put a question to the hon. minister: What is the yearly catch of fish in each province?

Mr. DURANLEAU (Translation): I wish to inform my hon. friend from Laprairie-Napierville (Mr. Dupuis) that the Quebec yearly fishery products amounted, in 1928, to $2,976,000; in 1929, to 2,933,000; in 1930, to $2,502,000; in 1931, to $1,952,000, and in 1932, to $1,815,000.

Mr. DUPUIS (Translation): What was the cause of this decrease?

Mr. DUBOIS (Translation): The crisis.

Mr. DUPUIS (Translation): Are the fish affected by the crisis?

Mr. DURANLEAU (Translation): In the prices, yes.

Mr. DUPUIS (Translation): Has the minister any statistics in connection with the the consumption of fish in the Dominion and what is the total amount of fish exported yearly?

Mr. DURANLEAU: The whole consumption in Canada is about 95 million pounds of fresh, frozen and mildly cured fish.

Mr. DUPUIS: I want to know what the whole production amounts to—the amount of fish exported and the principal countries importing Canadian fish.

Mr. DURANLEAU: My hon. friend will find in the Fisheries statistics for Canada for 1932, the last volume we have, at page 204 and following pages, the list of all countries importing Canadian fish, the kinds of fish, quantities, price and so on. He will see that our best customer is the United States, then the West Indies; South American countries also import from Canada. There is a large list of countries importing Canadian fish.

[Mr. Duranleau.]

Mr. SHORT: How much of this $85,000 is to be used for advertising to promote the consumption of fish in Canada? The item is intended for the conservation and development of deep sea fisheries and the demand for fish. I presume the expression "to assist the demand for fish" means advertising fish to create a demand.

Mr. DURANLEAU: We advertise in various ways in regard to fish. For instance, we have sent to different exhibitions electrical exhibits of all the fish produced by our fisheries. In Toronto at the last exhibition large crowds were attracted by our exhibit, and a few weeks ago a departmental exhibit which did not cost very much was staged in Montreal and proved a great advertisement for our fisheries. I see from the details of this item that we are expending $15,000 to extend the demand for fish.

Mr. SHORT: In what manner will that be expended?

Mr. DURANLEAU: Apart from the exhibitions we have tried to increase the home demand for fish by employing, as I informed the committee yesterday, Mrs. Spencer who is an outstanding expert in the use of fish for meals. She has attracted crowds all over Canada.

Mr. FAFARD: She or the fish?

Mr. DURANLEAU: Mrs. Spencer with her way of cooking fish. In Montreal and other centres where the French population is large, we have the services of a bilingual lady who cooperates with Mrs. Spencer. They have visited all the convents in the vicinity and have done splendid work with the educators and pupils in those institutions. At the present time we have about six hundred ladies at each demonstration at Eaton's store in Montreal listening to Mrs. Spencer's lectures on the subject of fish.

Mr. SHORT: We all agree that Mrs. Spencer has rendered excellent service to the fish industry of this country, and I hope the department will retain her in her present position. But I understand strong representations were made to the department by the fishing industry through the Canadian Fisheries Association for an appropriation to be made for the purpose of newspaper and magazine advertising in this country in order to create a greater demand in the Canadian market for the products of the industry. I am a little disappointed that no item appears in the estimate for that purpose. I thought

a sufficient amount or part of the $85,000 might be used in that way. I understand only some $46,000 of the $85,000 that was voted last year, was expended. Am I right in that?

Mr. DURANLEAU: Yes, prior to Decemmer 31.

Mr. SHORT: Then it is fair to suppose that the same amount will be used this year. Why cannot the balance be used for advertising purposes, because this money could not be expended in any better way? As hon. members know, the fisheries of the maritime provinces are at the present time in bad shape. The fishermen there, owing to the state of the markets for their products, have been unable to make both ends meet in the last three or four years. The foreign markets have been in very bad shape during the last four or five years, and we have had to depend a great deal on our home market. If we can increase the consumption of fish in our own markets this will help our fishermen more than anything else. The only way in which that can be done is to get our people to eat more fish, and the only way to do that is to advertise, to keep the matter of fish before our people all the time. I believe last year the minister appropriated $85,000 and expended $41,000. Perhaps he could see his way clear to use $40,000 for advertising.

Mr. DURANLEAU: During the fiscal year 1932-33 we expended practically the full amount voted, that is, $84,766, but I said just now to my hon. friend that during the present fiscal year, 1933-34, prior to December 31, 1933, on that appropriation of $85,000 we had expended the sum of $46,411. To the last day of February we had expended about $50,000.

Mr. SHORT: Possibly a sufficient amount might be placed in the supplementary estimates for this purpose. I am sure the minister will agree with me that the money could not be spent in a better way. That will create a demand for fish. It will be remembered that two years ago the department spent some $20,000 for advertising, being assisted by the trade which raised about fifty per cent more, making the total amount some $30,000. Splendid results accrued from this advertising. Nothing has been done recently in the way of advertising except by individual firms and they are not at present in a position to spend any money for advertising, because I do not think there is in Nova Scotia a single firm in the fish business that has broken even in the last three or four years. I believe the time is now opportune for the government to step in and give all assistance possible to this industry. I would strongly recommend to the minister that he try to have a sufficient amount placed in the supplementary estimates if he cannot take it from this item of $85,000 which appears in the main estimates. I hope he will give the matter his serious consideration.

Mr. NEILL: As the hon. member for Digby-Annapolis has exhibited a very proper interest in this appropriation, it might be as well to put the details on Hansard because they will reveal possibly something more than the particular information for which he was asking. They will reveal the fact that practically the whole of this $84,766.31 has been spent in the maritime provinces. Where does British Columbia come in, which has furnished the greater part of the fish trade of Canada? According to the Auditor General's report for the year ended March 31, 1933, the amount expended under the heading "Aids in expanding demands for fish" was $13,706.06. There is an item for Mrs. Spencer, who did not come to the coast last year. An amount of $1,200 is included for broadcasting weather reports. Then there is:

Bait collection service—Canso, $1,278.

Canso, so far as I know, is not in British Columbia.

Bait freezers—Canso: salt and ice, $403.25.

Then:

Marie Joseph, painting, $101.32.

Marie Joseph, whoever he or she was, got $101.32 for painting. Whether Marie painted the freezers or a sea picture in oils I do not know. On educational work, wholly in the maritimes, $10,229 was spent. Exhibitions, Lunenburg—I seem to have heard that name somewhere—cost only $4,182. Then we get the big figures; lobster collection service, subsidy to some company, $21,375. Lobster patrol service, a separate item, $21,340. Then a scallop investigation;—we do not raise scallops in British Columbia,—$5,885. Packet service; I do not know what that is, I will ask the minister to tell us that, a subsidy for the steamship Petite, $1,500. I notice that while this Auditor General's report is for the year ended March 31, 1933, the order in council authorizing that was passed April 4, 1933, after the close of the fiscal year. Apparently it was some unusual and out of the way expenditure or it would not have had to be covered by a special order in council.

Then, grant to assist in the publication and distribution of the Canadian Fisheries Manual, $2,000. I do not think even the members in British Columbia get a copy of that. And

there is $2,764 for odd items. As far as I know, unless we shared in that small item of the king's printer, practically the whole of that $84,000 was spent in the maritimes. I do not wonder the hon. member for Digby-Annapolis (Mr. Short) blushes; he might well do so—

Mr. SHORT: I do not feel myself blushing at all.

Mr. NEILL: But I noticed it. The hon. gentleman is so accustomed to having to blush for this cause that he does not notice it. I want to know where British Columbia comes in on this. British Columbia has some rights. How they are recognized is difficult to see. Surely out of over $84,000, and producing as we do nearly if not half of the total fish production of Canada—which puts us away ahead of the maritimes, because there is a large fishing industry in Manitoba, which is not generally known—surely we are entitled to a look-in on some of these things.

While I am on my feet and, as the hon. member has introduced it, I would like to revive a twice told tale in connection with an item that appears lower down, "voted by statute," as if that made it any better. That is the question of the perennial wrong done to British Columbia in connection with that item of $160,000 called the bounty, also I suppose for the conservation of the fishing industry. Since I brought this matter up last year and the year before and the year before that, further confirmation has come into my posession which shows that this is not a mere annual fad of mine but that it had engaged the very serious attention of the British Columbia and the dominion governments years ago, and I think possibly also the home government. Here is an item from a British Columbia paper, one of those items carried under the heading, Fifty Years Ago To-day:

> The dominion government has received a claim from the government of British Columbia demanding—

I note the word.

> —a share of the Halifax fishery award, on the ground that the presence of American fishermen in their waters has seriously interfered with the privileges of their own fishermen. Nothing can be done in the matter until parliament sits, as no allotment whatever has been made to the provinces, individually, and it is not probable that the claim of British Columbia will be recognized, the proceeds of the award having gone into the consolidated funds of the dominion.

That has a double significance. It shows first that British Columbia at that time made a demand, and secondly, it corroborates my statement that that sum awarded under the Halifax award went into the consolidated fund where it was certainly lost sight of. While I do not propose to burden the committee with the whole brief I might just quote one or two sentences. At that time, 1884, fifty years ago, the question was raised. British Columbia closed its brief to the committee of the privy council thus:

> The committee advise that this minute be approved and that a copy thereof be forwarded to the hon. the Secretary of State for Canada, in order that the claim of this province to share in the annual appropriation of $150,000 may be considered by the dominion government, and in order, also, that due consideration may be given to the uncertain and unsatisfactory position of the fishery interests of British Columbia as regards the future.

There was as I say a brief setting out at great length the claim of British Columbia to share in the award. I am not dealing so much with that aspect except as a basis for my claim that we should share in this $160,000 that is being spent now.

Here is another quotation:

> It remains only to be added, what is well known, namely, that the fisheries of British Columbia . . . are the richest in the world.

And they deal with that and with other conditions, the inshore fishing grounds, the mild winters and so on, and say there would be a big fleet in British Columbia waters if they got a fair share of this amount. They claim that their statement is a fair and temperate exposition. I also would try to make a fair and temperate exposition. They say that any one with any fairness will recognize the justice of the claim, the grievous injury sustained and so on. Then the brief proceeds:

> While highly appreciating the consideration usually given by the government of the dominion to British Columbia matters, so far as they are known to them, yet, as this province is unrepresented in the dominion cabinet . . .

So this province was unrepresented in the dominion cabinet when this deal went through. Then further on:

> The Canadian government attribute their unwillingness, in part, to their opinion as to the intention of the Canadian parliament, evidenced by the discussions therein when the grants were made to other provinces without including British Columbia, but it may be remarked that the claim of this province was not then, and has not since been, submitted to parliament in such a manner as to be fully understood—a fact that must weaken materially any inferential argument from the presumed intention of parliament.

That word "inference" is one beloved by the Minister of Finance and also my hon. friend from Antigonish-Guysborough (Mr.

Duff) who always says it was inferred that we should suffer this wrong. Then:

Approved report of the honourable the privy council of Canada, 30th April, 1875.

Which supports this contention, and another one dated December 10, 1879: Then the brief goes on:

Taking a general view of the matter as it now stands, it is not denied that British Columbia has suffered grievous, exceptional injury by the operation of a treaty not submitted for assent to her legislature, and under which Canada has received a very large sum of money. In seeking redress, the question, practically seems to be whether the provincial claim is to be judged simply by a strict legal construction of the terms and wording of a treaty which it is admitted does not embody the requirements of the contracting parties as expressed in the preliminary correspondence and instructions, and by a construction which is one of several different interpretations given by competent authorities, and is at variance with the former opinions.

They quote the two minutes of the privy council that I have mentioned, and they go on to say:

Under these circumstances, if the Canadian government do not see their way to recommend a favourable consideration of the provincial claim to His Excellency the Governor General, the committee advise that they be requested to facilitate a joint reference to the home government . . .

Further:

A very strong feeling exists in the province on this subject, which will be increased by delay in making an adjustment or by the refusal of equitable treatment.

That was in 1884, fifty years ago, so we may judge what the feeling is now in connection with the long delayed justice in this matter:

For this reason, the committee, in again referring to the matter, express the hopes that the dominion government will review the considerations that have been urged to show the grievances of which British Columbia complains, and the justness of her claim to participate in money received from the home government by Canada, under the treaty which has operated so injuriously to British Columbia.

Then again they repeat their demand that, failing justice, they should be allowed to go to the foot of the throne so to speak. I do not know what the outcome was. There seems to have been a hitch there. As far as I know they did not take it to the home government. If they did the matter was ignored. I am only quoting that as a basis for the demand that I now present. I am not asking that we should share in that $4,500,000 or whatever it was, but I cite it as proof that the best men they had in public life in British Columbia at that time were strongly of that opinion, and said that there was a growing, bitter feeling against the injustice. But I noticed in the first quotations I read a reference to the money having disappeared into the consolidated fund and therefore could not be obtained. That bears out what I have argued here again and again. The matter will not down until we get justice for British Columbia. This money was put into the consolidated revenue fund and was never heard of or seen again. It could not be; you might as well put a can of condensed milk into the ocean and then seek to recover it. Once anything goes into the consolidated revenue fund it ceases to be ear-marked. These things are common knowledge to all of us. Then some three or four years later, on the eve of an election, the government suddenly decided to spend $150,000 a year on fisheries bounties, later increasing it to $160,000, by an act which I have quoted in this house in previous years and which I challenge anyone to quote in contradiction of what I have said. That act never mentioned the Halifax award; it never inferred it or hinted at it in any way. The government simply said they were going to spend so many thousand dollars for the development of deep sea fisheries, and they did so; that is all. Every year we are told that something was left out; that technically I am right but that it was intended to be a quid pro quo for the losses sustained under this award, and so on. That is not so, but even if it were, according to the brief from which I have quoted British Columbia had the same rights. But it is not so, there is no reference to it in the act. I was once in court, and I heard a lawyer who was also a member of parliament trying to argue as to the meaning of an act. He said, "My lord, I was present when that act was put through; the understanding to which we all agreed was that it meant so and so." But the judge said, "I am sorry, but unfortunately they neglected to bind you up with the statute, and your recollection as to what took place does not bind me. I am here to administer the law as I find it," and that is all I am here to ask. I forget the number of that act, because it is a year or two since I have referred to it, but it is well known and it states that $160,000 shall be spent yearly to benefit the deep sea fisheries of Canada. If British Columbia is not in Canada it is time we knew it. I have brought up this matter on other occasions, and hon. gentlemen just try to pass it off by saying that technically I am right but that the intention was so and so. I do not know anything about the intention; I know what

the act says, and I demand justice for British Columbia.

I am only referring to this item as another illustration of the raw deal British Columbia gets. We are asked to vote $85,000; under this item last year we spent $84,766.31, and I think we got the 31 cents out of it. Is that fair? Can hon. gentlemen expect this sort of thing to promote the harmony and bonne entente we hear so much about? They were able to put through these measures because of their majority; these things took place when British Columbia was not represented in the cabinet and had only two or three members in the house. Times are changing however; even nature is on our side. The population of British Columbia is growing while the population of Nova Scotia is becoming less. At every redistribution we see the representation from Nova Scotia become smaller while the representation from British Columbia increases, so even nature is protesting against the injustice of this thing. The day will come when we will be of greater importance in relation to our numerical strength in this house than is the case today, and then we will get justice. I only hope I will live long enough to see that day.

Before sitting down I should like to ask the minister what this subsidy is in connection with the ss. Petite.

Mr. DUFF: I am sure we were all interested in hearing the hon. member for Comox-Alberni dwell upon the beautiful scenery in British Columbia and the reasons why, in his opinion, they do not get as much money as they should get. I have no objection to that, but let us look at the situation. We vote $1,443,000 for the fisheries of the Dominion of Canada. I made some hurried calculations while listening to my hon. friend, and I find that of this total $737,543 is spent in British Columbia.

Now let me go a little further. The hon. gentleman speaks of $62 being spent in Canso, and he goes on to say that he does not know where Canso is. I would suggest that the hon. gentleman study the geography of Canada; he is a member of parliament, and he should be acquainted with all parts of the country. I can tell him where Alberni is; I can even tell him where Comox is. I can even go so far as to tell him where the Queen Charlotte islands are, but my hon friend is selfish, and that is not usual in a Scotsman. I am sorry to see that a Scotsman, with such a name as that borne by my hon. friend, should be selfish in the matter of the expenditure of a few dollars. He wants all the money for his own province; in fact I think my hon. friend from Comox-Alberni would like to see this $1,443,050 spent in his own constituency, but that is not possible.

Let us see what is spent in British Columbia. Here we have an item of $25,000 to provide for an investigation into the life history of the Pacific halibut by an international fisheries commission appointed under the Pacific Halibut treaty of March 2, 1923. That is quite a large amount, and it is all for British Columbia; there is nothing for Ontario, Quebec or the little province of Nova Scotia, which my hon. friend deliberately picked out this afternoon to find fault with because $62 was spent in Canso. Here we have $25,000 devoted to the halibut in British Columbia, and we do not object to that. In fact perhaps I can claim some credit for arranging that this amount should be spent, because it was recommended by the commission of 1922, of which I had the honour to be chairman and of which my hon. friend was a member, that a commission should be set up to protect the halibut industry.

But let me go a little further. Here is an amount of $240,000 for fish culture, and practically the entire amount is spent in the province of British Columbia. If my hon. friend does not get his proportion of that vote it is not my fault. Surely it is not fair for him to rise in his place and try to tell this committee and the public that British Columbia is not getting a fair proportion of the expenditures made by the fisheries department or the government of this country. I hold no brief for this government or for the department; right now I should like to move a resolution that this amount of $1,443,050 be reduced to $1.

The CHAIRMAN (Mr. Morand): The hon. gentleman is not discussing the correct item; we are discussing item 154, to assist in the conservation and development of the deep sea fisheries and the demand for fish, $85,000.

Mr. DUFF: I am answering my hon. friend from Comox-Alberni.

Mr. NEILL: I rise to a point of order. The hon. gentleman does not even know the name of my constituency. It is Comox, but he is pronouncing it "Comax."

Mr. DUFF: After listening to my hon. friend I knew there was some ox in it. Then my hon. friend interjected into this argument the matter of the Halifax award. Of course this is a hardy annual with him; every year

he gets up and tries to impress upon this house the fact that British Columbia should get part of that $160,000, which is the interest on $4,000,000—

Mr. NEILL: Is it? I do not know.

Mr. DUFF: It is not my fault if you do not know; why don't you find out? I say, sir, that the hon. gentleman gets up in this committee every year and tries to make out that the province of British Columbia should get a portion of the $160,000, which is 4 per cent on $4,000,000, that was paid by the government of the United States in return for certain privileges on the Atlantic coast. British Columbia had nothing to do with this, but my hon. friend tries to make out that because in the legislation which was brought down the word "Canada" was used instead of the words "maritime provinces," British Columbia should get some of this money. My hon. friend, being a Scotsman, is trying to take part of this money from the maritime provinces. I say to him that British Columbia has no right at all to this money; it is purely a matter between the government of Canada on behalf of the maritime provinces and the government of the United States. British Columbia has never received one cent of this money, nor will she ever receive a cent of it. My hon. friend had better realize that now, because we will never pay British Columbia one cent of this $160,000 a year.

Mr. MACDOUGALL: They have no right to it.

Mr. DUFF: Of course not. Let us get back to the item under consideration. Before doing so may I apologize to you, Mr. Chairman, for having to be called to order. The item now under consideration is to assist in the conservation and development of the deep-sea fisheries, and the demand for fish. To me this seems to be a double barrelled item. First it speaks of assisting in the conservation, which means the curtailment of fishing operations, and then it speaks of a development of the deep-sea fisheries, which means an increase.

Mr. MUNN: My hon. friend seems to have a pick on British Columbia. I would ask him, please, to forget British Columbia and to look after his Atlantic sea coast.

Mr. DUFF: I am very glad the hon. member for Vancouver North has made a statement; I can only reply that it was not my fault. The hon. member for Comox-Alberni started this discussion, and that is the reason I have spoken. I am not against British Columbia; my hon. friend should know that in 1922 I went out to that province for ten weeks, at my own expense, in order to try to do something for the fisheries of British Columbia. I should like to know this from the minister: How does he propose to spend this $85,000, which is voted, at least partially, to assist in the conservation of fish? He is going to assist in preventing people from catching fish, just the same as under the wheat agreement, about which the Prime Minister spoke this afternoon, he is to prevent people from growing wheat. It would seem to me that the expression "assist in the conservation" would mean that the fishermen are not to be allowed to catch fish. Then in the second place, the fisheries are to be developed. How can those two operations work together? How does the minister justify this item? I state he cannot justify it, but I should like to know how he proposes to do it.

Mr. DURANLEAU: I suppose the hon. member knows that the conservation of fishing means the saving of the fishing industry. The aim of the department is to protect as much as possible fisheries in all parts of Canada and, further, to help the industry. We have to protect fisheries by means of regulations, a course which has been followed for years. That is the way we have protected our fisheries. If my hon. friend wishes, I could give the details concerning the proposed expenditure of this $85,000. Does my hon. friend wish that that should be done?

Mr. RALSTON: Yes.

Mr. DURANLEAU: These are the expenditures:

To aid in extending the demand for fish, $15,000.
Contract for Nova Scotia boats, $30,000.
Supervision of lobster collection service, $400.
Packet service L'Ardoise-Halifax, $1,500.
Aid in educational work, looking to the use of better methods by fishermen, $15,000.
Subsidies to bait collection service, $1,500.
Grants to Canadian fishermen towards cost of New Year's issue, $2,000.
Grant to Canadian Fisheries Association towards cost of annual convention, $250.
Grants to exhibitions, $2,300.
To provide exhibits at various exhibitions and to stimulate demand for fish, $6,000.
Subsidies to bait freezers, $1,000.
Scallop investigations, $6,000.
Destruction of sea lions, $600.
Transhipment of fur seal skins, $2,500.
Miscellaneous, $950—Total, $85,000.

Mr. DUFF: Is the vote for destruction of sea lions to be effective in British Columbia or in Nova Scotia?

Mr. DURANLEAU: British Columbia.

Mr. DUFF: I thank you very much, indeed.

Mr. REID: I am surprised at the hon. member for Antigonish-Guysborough rising to attack the province of British Columbia. I just happened to consult the report showing fisheries expenditures, and I find the figures show that since 1867, the year of confederation, approximately $15,000,000 has been spent on the eastern coast and only $13,000,000 on the Pacific.

Mr. VENIOT: We did not attack British Columbia.

Mr. REID: But, looking at the revenues I find that almost $3,000,000 has been returned from British Columbia, and not quite $1,000,000 from the eastern provinces.

Mr. MACDOUGALL: Would the hon. member permit a question? How much did this government have to advance to the province of British Columbia during the last three years to keep it from going bankrupt?

Mr. YOUNG: What about the Duncan report?

Mr. MACDOUGALL: That has not anything to do with it.

Mr. REID: We are dealing particularly with fisheries, and I believe an answer is not necessary. The answer to the hon. member for Antigonish-Guysborough is that there are probably more crabs raised on the Atlantic coast than there are in British Columbia.

Mr. SHORT: The hon. member is mistaken, there. British Columbia is the coast for crabs, not Nova Scotia.

Mr. REID: However, I do not think we should divide Canada into two parts, the east coast and the west coast. I believe if British Columbia is getting any help she is getting only that which has been long delayed. I am sorry to have to oppose the hon. member for Antigonish-Guysborough.

Mr. VENIOT: Discussion on this item has gone far afield. May I point out to hon. members from British Columbia that while we from the maritime provinces are defending our rights we are not attacking British Columbia.

Mr. DUFF: The hon. member for Comox-Alberni did it.

Mr. VENIOT: The hon. member for Comox-Alberni made the suggestion that we were getting that which did not belong to us. I believe we have a perfect right to point out that such is not the case. So far as I am concerned British Columbia can get all the kudos possible out of the fishing business. Let me point out however that since hon. members have spoken about favours conferred upon different parts of the dominion, under the agreement between New Zealand and Australia and Canada, British Columbia gets a preference on its fish which is not granted to any other part of the dominion. It is a discrimination in favour of sockeye salmon as against what we should get for our canned fish in the maritime provinces. For that reason I do not believe hon. members from British Columbia have any reason to complain if hon. members from the maritime provinces stand up for their rights.

I had intended to put a question to the minister in the French language, but having begun my observations in English I shall endeavour to finish what I have to say in that language. If I understand correctly, the acting Minister of Fisheries has informed us it is the intention of the government in the near future to establish a biological station on the Gaspe coast. The object of this station is to enlighten the younger generation engaged in the fishing business on the conservation, the greater production and the marketing of fish. I understand the station is to be established in the province of Quebec, and that the lessons given will be, no doubt, in the French language. Perhaps I would not be asking too much if I were to suggest to the minister that the benefits to be derived from the biological station on the Gaspe coast should be extended to the south shore of the Baie des Chaleurs to include certain parts of the province of New Brunswick, such as the county of Gloucester and sections of Northumberland, Kent and Restigouche, where a great majority of the fishermen are of French extraction. The large majority of the fishermen are of French extraction and they should receive the benefits of the teaching in French which will be carried on at the Gaspe biological station. I know that at the present time the French boys from Gloucester, Restigouche, Madawaska, Northumberland and Kent have the privilege of attending a short course in fishing which is carried on at Halifax during the winter time. This is all right as far as it goes but it does not meet the situation. It is too far for the boys to go and besides the general course in French at the biological station would prove of more benefit to our French fishing population. I suggest to the minister that he take this matter into consideration with the view of having the facilities of the biological station at Gaspe extended to certain sections of New Brunswick and if necessary to other sections of the maritime provinces.

Mr. DURANLEAU: When discussing the organization of the fisheries experimental station at Gaspe with the provincial authorities of Quebec, I had this particular point in view. I hoped to have the benefits of this school extend not only to the French fishermen of the province of Quebec but also to the French fishermen on the coast of New Brunswick and the Magdalen Islands as well as those of Nova Scotia if they should desire to avail themselves of the facilities afforded by the school.

I realize that what has been said by the hon. member for Digby-Annapolis (Mr. Short) is quite true. Advertising is very important in increasing the home demand for fish. I was visited by a delegation last year and I told them that if it were at all possible this vote would be increased this year. My hon. friend will realize that in these times it is very difficult to have a vote increased. The home market is the best market and advertising offers the best medium of increasing the home demand. If we could increase the per capita consumption of fish in Canada by ten pounds we would remedy the whole situation. I can promise my hon. friend that if it is possible to make a saving in the expenditure of this $85,000 we will apply the difference to advertising purposes. I cannot promise that the committee will be asked to vote a supplementary item, but any saving will be applied for that purpose.

Mr. MacDONALD (Cape Breton South): We are probably wandering a little far afield from the particular item now before the committee, but I think it may be in order at this time to refer to the remarks of the hon. member for Comox-Alberni (Mr. Neill). There are few hon. members in the house to whom I listen with greater interest and from whom I derive greater benefit than from that hon. member. But he seems to have an obsession on this particular matter of fishing bounties. Year after year he claims that British Columbia should share in this $160,000 and year after year we have to go to the trouble of explaining everything to him. We give him the findings of the Maclean commission and we go over the history from the time of the establishment of the tribunal before which witnesses were called. The whole thing had reference only to the maritime provinces and the province of Quebec. The finding of the tribunal was that $5,500,000 should be paid. I think $1,000,000 went for grants, $500,000 for expenses and $4,000,000 was placed in consolidated revenue. It was understood by everyone at the time that British Columbia had absolutely nothing to do with the matter. That province had no more interest in this than had Manitoba or Ontario. The finding of the tribunal had to do with the advantages which the United States had in our fishing grounds over the fishermen of the maritime provinces and the amount awarded was regarded as recompense. A mistake was made in putting this award into the consolidated revenue fund instead of into a trust fund.

Mr. NEILL: But they did put it in.

Mr. MacDONALD (Cape Breton South): Once it was placed in consolidated revenue my hon. friend thinks it is open to anyone from any place in Canada to come in and grab it. Of course, that is something that we cannot tolerate. While we are willing to do anything to assist the fisheries of British Columbia we cannot allow unholy hands to be placed on this $160,000. I do hope that with this explanation we have heard the last of this matter.

Mr. NEILL: No, never.

Mr. RALSTON: I am glad that the hon. member for Comox-Alberni (Mr. Neill) has brought up the question of the Halifax award because I wanted to refer to it in another connection. I was a little surprised at hearing him repeat the claims which he had made before as to the injustice which he considers has been done to British Columbia in not sharing in this grant. I feel that the hon. member for Antigonish-Guysborough (Mr. Duff), the hon. member for Cape Breton South (Mr. MacDonald) and those other hon. members who have spoken have done a signal service not only to British Columbia but to Canada generally by placing side by side with the statement of the hon. member for Comox-Alberni the real facts with regard to this particular grant. I do not think he should be allowed to get away with the claim which he so characteristically persists in making. Let us remind him again that the treaty of Washington, referred to by the hon. member for Cape Breton South, provided expressely that American fishermen should be allowed certain fishing privileges in Quebec, Nova Scotia, New Brunswick and Prince Edward Island, not in British Columbia, and that article 23 of that treaty provided that a tribunal should be set up to award damages to Canada caused by reason of the invasion of our maritime waters by these American fishermen.

Mr. NEILL: To Canada.

Mr. RALSTON: To Canada, certainly.

Mr. NEILL: Not to the maritimes.

Mr. RALSTON: That tribunal was set up and an award was made. Surely the hon. member for Comox-Alberni is not so unfair as to suggest that when the fishermen of the maritime provinces have paid the piper and suffered the damages the whole Dominion of Canada should participate in the award given by the court. I do not believe he is sincere in making that claim. He does make a technical claim because of the fact that this award was placed in consolidated revenue instead of being set aside for the fishermen of the maritime provinces. This difficulty was realized three years later in 1882 at which time a statute was passed providing, first for a grant of $150,000 and then subsequently for one of $160,000 to the fishermen of the maritime provinces. That amount has been paid out ever since in fishing bounties.

Mr. NEILL: There was no reference to the award in that act.

Mr. RALSTON: No, but there was a reference to the award in the debates that took place in the house at the time, showing why this money was being voted. Surely my hon. friend does not suggest that members from the west or from other parts of Canada would sit there and permit money to be voted to the maritime provinces alone unless they were convinced of the justice of it. Because the preamble did not declare, "Whereas this is money of the people of the maritime provinces," that does not alter the fact that it was money belonging to the people of the maritimes, and it was voted to them to compensate them for the damage they sustained in connection with the fisheries. Moreover, you will find it expressly stated in the debates in the house that this was why the $160,000 was to be voted each year to the fishermen of the maritime provinces. Since my hon. friend has gone into the question, let us remind him that there remains to be paid the interest for three years. That was the subject of a claim before the Maclean commission, reference to which has been made by my hon. friend from Cape Breton South, and that claim was recognized by the commission. They said that it was a fair claim, holding that the money should be paid for the benefit of the maritime fisheries. Interest on interest had rolled up until it amounted to millions, but the Maclean commission in their report expressly recommended that, considering the grounds upon which the award was made, the request that the three years' unpaid interest be appropriated by parliament to be applied to useful purposes in connection with the Atlantic fisheries or fishermen appeared to them to be fair and equitable, and they recommended that the amount be so appropriated and applied. I do not think my hon. friend wants to take away that little ewe lamb we have in the maritime provinces in connection with this vote. Surely he would not expect us to be paid for damages suffered by British Columbia fishermen with respect to some arrangement with the United States regarding the fisheries on the Pacific coast. These are facts, and while I am pointing them out to the hon. member for Comox-Alberni I want him to understand that we agree with him that the fisheries on the Pacific should receive all the encouragement possible. Apparently however the salmon fishery, so far as exports are concerned, has not done too badly, because this year the increased exports amount to some $800,000 out of a total increase in export trade of $1,300,000. So that while the British Columbia fisheries are in difficulties they are nevertheless showing some measure of progress.

I come back to the item under consideration. I wish to refer the minister to two or three matters in the maritime provinces in connection with the fishing industry. The first thing I want to discuss is the question mentioned by the hon. member for Digby-Annapolis, namely, the desirability of increasing demand. One of the objects for which this vote is intended is to promote the demand for fish. Everyone recognizes the good work done by Mrs. Spencer and those engaged teaching the ladies how to cook fish. But after all most of us feel that this does not account for a large proportion of the consumption of what is produced by the industry as a whole. Our export markets have to be taken into consideration. We are all for increasing the home market as much as possible. I am for it as much as anyone else, and I am of the impression that what the hon. member for Digby-Annapolis has suggested is a good thing. The minister would be well advised to consider favourably what has been submitted to him in regard to the need for assisting the fishing industry through the medium of advertising. I do not attempt to suggest to him how much money should be voted but I do think that a definite campaign should be undertaken in Canada in the direction of instructing the people in the food value of fish. This is one of the primary industries of the country; it employs a large number of people who use a good deal of gear. A definite campaign along this line would therefore be productive of very desirable results and would increase the national prosperity

substantially. I would ask the minister to assist in the marketing of fish by increasing the demand through advertising. The united maritime fishermen met last November and passed a resolution which I suppose the minister has received, urging upon the hon. gentleman the need for extending assistance along that line. I believe it could well engage his attention, and I submit that part of this money should be used for that purpose. The minister will say no doubt, "We have not enough money." Well, I say to him, use part of the money from the Halifax award still remaining unpaid; it has not yet been paid the fishermen in the maritime provinces. There is one object to which it could be devoted. Remember this—and I am not talking east and west—that we have not had any bonus on the production of fish. There was a wheat bonus two years ago, but we have not asked the government to undertake the stabilization of the fishing industry as it undertook to do in connection with wheat in the west. The Prime Minister made an announcement to-day with regard to the stabilization of the wheat market. We have not had anything of that sort, but we do submit that something should be done to extend the market for fish by stimulating the demand for that product, so as to meet a call which is coming generally from the fishing industry for assistance, not by way of the dole, but by helping men to help themselves. That is all they ask.

There is one other matter I wish to mention along lines in which the department might render assistance. I refer to the collection services. The minister has mentioned the collection service for which part of this vote is intended. Everyone naturally thinks of his own constituency, and I have in mind particularly a collection service that could be instituted along the coast between Yarmouth and Shelburne for the purpose of collecting fish —and lobsters by the way—and bringing them to Yarmouth to be shipped by boat to Boston. I would ask the minister to take into consideration the inauguration of services along Clark's Harbour, The Pubnicos, Wedgeport and Yarmouth, for the purpose of assisting in the expeditious marketing of the fish produced in that part of the country.

The next matter I wish to discuss briefly is this. I know that the minister and the department have had reports regarding the very serious effect of the storms of last winter on the fishing industry. I do not think that any industry has been so hard hit as those engaged in fishing. The fishermen have taken a terrific beating; they have lost boats and gear and, most tragic of all, lives. I believe the loss of lives in the fishing industry was something like six.

Mr. SHORT: Seven.

Mr. RALSTON: Seven, in the southern and western part of the province of Nova Scotia. Now, I am not discussing a general policy of loans to fishermen, but I did bring to the attention of the minister the circumstances of one fisherman who, through no fault of his own, lost his boat as a result of the storm. It was a total wreck. He has no capital to get another, and he is a good fisherman. He has done well. I should like to find out whether there is not some way in which he can be assisted. As I say, I am not suggesting a general policy at this stage; I am not going as far as that. I am pointing out however that the extraordinary situation which presented itself along the coast this winter ustifies an extraordinary emergency provis-.on for that type of case

Mr. DURANLEAU: Has my hon. friend any suggestions to offer?

Mr. RALSTON: Yes; there is no question as to what can be voted for assistance to the industry and I think my hon. friend should have an investigation made by his officers and lay down some rule whereby, in emergent conditions, where a man has completely lost his capital, the only thing with which he can earn his living, he may be helped by either a loan or a grant.

Mr. MACDOUGALL: Can that not be done under the Relief Act?

Mr. RALSTON: Certainly, but the minister was asking me for some general principles to lay down in regard to the matter.

Mr. MACDOUGALL: That is the general principle which should be laid down.

Mr. RALSTON: There is no doubt that it could be done under the Relief Act. This is an emergency year; the hard winter has created hardships, financial difficulty and distress to the fishermen, and they are asking not for the dole but for an opportunity to help themselves. There again I say that if the minister needs justification for asking his colleagues for more money, it can be found in the Maclean report which points out that the sum of $480,000, without counting interest, is payable still in respect of the Halifax award.

Last year I brought up the matter of the

lobster industry. It has been represented to me repeatedly that the department might do well to consider paying the fishermen for the fantail or mother lobster, that is the large one, which although not showing any eggs, is a productive lobster, which may not be very much good for food, but which at the same time substantially increases the production if thrown back into the water. This payment is made, I understand, in other places. The tail of the lobster is punched so that the department will not pay for it twice. The payment does not amount to a great deal, but this is a matter of conservation coming directly under this item. I mentioned it to the minister last session, and I should like him to study it seriously and favourably.

I wish to refer to one other matter in connection with the fishing industry. Has the minister any further report from Washington with regard to the progress or otherwise of a bill, I think it was H.R. 74-19, which was introduced by a congressman to prohibit the importation of fish into the United States?

Mr. DURANLEAU: As to the last query of my hon. friend I may say that our latest information is that the bill to which he refers has not yet gone to committee.

Mr. RALSTON: I want to thank the minister for information I received from the department with regard to the lobster code, which was giving some concern to the fishermen of Nova Scotia. As the minister knows, a minimum size limit was introduced which was slightly different from ours, but ours has now been made to conform. A maximum size limit was also proposed to be inserted, but later I understand that was struck out. I am sure the lobster fishermen received that news with considerable satisfaction.

Mr. MACDOUGALL: I have not time now to deal with the fishing industry in Nova Scotia, but I intend to do so at a later date. I just want to ask the hon. member for Shelburne-Yarmouth to tell me, when I subsequently deal with the fishing industry of my province, whether he will join with me as a member of the House of Commons, forgetting politics altogether, in assisting the fishermen by helping to bring about the abolition of beam trawlers in Nova Scotia.

Mr. RALSTON: I was a member of a government which passed an order in council which was held subsequently to be ultra vires, but if I had been in the government when that situation occurred, I would have made that order in council effective by having it validated.

[Mr. Ralston.]

Mr. MACDOUGALL: All I can say to my hon. friend is that I am very glad to have his cooperation in that matter.

Mr. MacLEAN: Under this vote which mentions conservation and which deals with the regulation of the lobster fishing industry, I should like to ask the minister whether new regulations have been adopted in the county of Prince where there are late and early lobster fishing seasons, and whether, if those regulations have been adopted, they have been properly advertised in the province in order that the fishermen may be made aware of them.

Mr. DURANLEAU: No special regulation was adopted for Prince county, but there was one to limit the number of licences to different districts and this regulation has been advertised as much as possible.

Mr. MacLEAN: I do not think it has been advertised as it should. In all fairness to the fishermen and the packers, if the department makes a change in regulations in connection with any section of the country where lobster fishing is carried on, widespread information to that effect should be given. I do not think it would cost the department very much to insert an advertisement in the papers telling the fishermen that those in a certain section will be allowed to fish only in that section and that only one fishing licence will be issued to each fisherman for the year. The trouble is that I am flooded with letters from fishermen in that locality asking whether this regulation has been put into effect and complaining that they cannot get the information. It should not cost the department very much to insert in the four newspapers in the province a notice telling the fishermen just what has happened. The fishermen migrate from one side of the province to the other. At this season of the year it is often the case, not only in Prince county but in every section, that the lobster packers make advances to the fishermen. This is the season of the year when the fisherman comes in for an advance. He is looking for it in order to equip himself to fish in a certain section. If the packer advances him money to equip himself with gear and so forth and then finds out later that the fisherman is not allowed to fish in a certain section, this is not fair to the packer or to the fisherman. I suggest frankly and in all fairness to the department and the minister that they should advertise in the local papers in that section of the country stating definitely what the regulations are for the coming season, so that the fishermen and the packers may be made aware of the correct situation.

Mr. DURANLEAU: That regulation was published in the Canada Gazette, and printed and circulated among the fishermen and canners by our inspectors in that district. But if my hon. friend states that some people have been complaining that they have had no notice of that change, I have no objection to putting a little notice in the local papers. It may be an advisable thing to do so. I quite understand that all interested parties should be posted as to the regulations.

Mr. BRASSET: I wish first to thank the minister for having placed in the Magdalen islands an instructor in the curing of codfish. This instructor, whose name I think is Mercier, has done a lot of good work, and since he has been there the curing of codfish has been improved. But the cod fishing industry has expanded a good deal in the Magdalen islands in the last few years, and I do not think one instructor is enough. In the first place he is sent to the islands too late in the season and is retired too early in the fall. He should come when the fishing begins in the spring and should stay as late as November, whereas I think he has been going there late in June and is obliged to come back by the beginning of October. It would be a good thing if instead of one instructor the minister would send two or three and let them stay there through the season. There are quite a few fishermen in the Magdalen islands and one instructor cannot go to all the fishing localities, consequently the instruction given is not sufficient. I would therefore ask the minister if it is possible to place at least two instructors on the island, and send them there earlier in the spring and keep them there until later in the fall.

Mr. DURANLEAU: I thank my hon. friend for his words of commendation for what we have done. As to the suggestion made by him, he knows that we have had to curtail expenses as much as possible during these years, and we are not prepared at present to increase the expenditure. Nevertheless I can assure my hon. friend that I will look into the matter and see if it is possible to do anything to improve the situation.

Mr. HOWDEN: I see that this vote is for the purpose of increasing the demand for fish. In Manitoba we have a couple of big lakes, lake Winnipeg and lake Manitoba, and not so many years ago they were filled with excellent whitefish that I believe brought the highest price on the New York market. In Manitoba and the city of Winnipeg, although perhaps we are not very great fish eaters, the consumption of fish could well be developed. But there is a very decided demand for salt water fish, white-fleshed fish—

The CHAIRMAN (Mr. MacNicol): I am sorry to interrupt the hon. member, but this item refers to deep sea fish, and I imagine the hon. member's remarks would be more in order under the next item.

Mr. HOWDEN: Well, I have just a word to say. Deep sea fish, fish of the white-fleshed variety, are specially desirable from a medical standpoint, being more digestible and less offensive to a delicate organism than red-fleshed and fat fish, such as the whitefish and pickerel and other varieties that we have in Manitoba. So there is a decided demand and a good market for this sea fish. Of course the only way we get it is frozen hard; that cannot be altered, we appreciate that. But we have to pay twenty or twenty-five cents a pound for this frozen fish. I believe that the fishermen on the Atlantic coast get only one or two cents a pound. I have no suggestion as to a cure for that, except that the dominion owns a railway and that railway operates an express service, and it seems to me this railway and these express facilities could be very well put to work transferring this fish in the shortest possible time and with the least expense to the consumer. If some such measures were taken to develop the business, I think a much greater market could be found for deep sea fish in Manitoba.

Mr. VENIOT: Concerning this matter of the conservation and development of our deep sea fisheries, might I, perhaps more for the sake of information than for anything else, draw the attention of the minister to what I understand to be new regulations that are to come into effect in 1935 in connection with the packing of lobsters. At the present time it is not required that all packing establishments be provided with steam for the cleansing of fish and cans and so on. But I understand that in 1935 new regulations to this effect will become effective, applicable to all canneries large or small, and I fear the result will be that a great many small packers will be put out of business. It is not always easy for them to comply with such stringent regulations, which I do not believe are necessary to keep up the quality of our Atlantic coast packed lobsters. I would therefore ask the minister if it would not be possible to consider an extension of time for the coming into force of this act.

Mr. DURANLEAU: We have been asked for ameliorations in the canneries from year to year. It is true that the regulations requiring steam retorts in canneries, large or small, will come into force in 1935. Of course it is possible to extend the time, and if after we have heard representations from all the interested parties we think it is advisable so to do, we may extend the time for the coming into force of that regulation.

Mr. VENIOT: If that requirement comes into effect it will mean giving a monopoly of the lobster industry to a small group of larger packers who can avail themselves of those conditions. The small packer who under present conditions cannot afford to comply with such regulation will be driven out, leaving the business entirely in the hands of a few large concerns, many of them American packers having branches on this side. I believe in the proper canning of our lobsters, but I do not believe it is necessary that such a stringent regulation should be enforced in order to maintain the quality of our canned lobsters. The Canadian lobster has won for itself an excellent reputation on the markets of the world, and so far as I know nothing has been shown to indicate that that quality would be greatly improved by the enforcement of the proposed new regulation. That is my reason for referring the matter to the minister.

Item agreed to.

Fish culture, $240,000.

Mr. DUFF: I am opposed to this item, in view of what the hon. member for Comox-Alberni had to say with regard to the few dollars spent in Nova Scotia. Most of this money is spent in British Columbia, and consequently I want to oppose the item.

Mr. REID: Would the minister tell us how much of this money will be spent in British Columbia?

Mr. DURANLEAU: The estimated expenditure in British Columbia this year is $110,000.

Item agreed to.

Oyster culture, $10,000.

Mr. VENIOT: On this item, Mr. Chairman, I wish to raise the same objection that I laid before the committee last year. I appreciate what the government are doing and what former governments have done in the matter of oyster culture, but I cannot agree that the regulation as to the size of the oyster is just. I understand how difficult it is to have a general regulation which will apply to all sections of the oyster fishing industry in the maritime provinces; I also understand how difficult it is to adopt regulations that may be parochial, so to speak, but there are considerations that should be taken into account. For instance, consider what is known as the Caraquet oyster in the county of Gloucester. This oyster does not reach the full size of three and a half inches or more as rapidly as the round oyster matures in other parts of the province. In the cultivated bays of Buctouche, Shediac and Shemogue we find that the spat is deposited in fresh water at first in order to bring about a more rapid growth, which allows the young oyster to be placed in colder waters sooner than is the case with the Caraquet oysters. In northern New Brunswick there is no cultivation of that kind carried on, and the Caraquet oyster, and St. Simon bay oysters, have to depend entirely upon nature to reach their mature size. It will take the cultivated oyster three or four years to become marketable, whereas in the case of the round oyster in the northern waters it will take a year or two longer. Under the present regulations three and a half inches is the smallest size at which an oyster is allowed to be caught, and this imposes an absolute hardship upon the oyster fishermen of northern New Brunswick.

Last year I asked that this matter be looked into more fully. I do not know whether or not that has been done, but I am sure no harm would be done to marketing of the round oyster from Caraquet bay if the fishermen were permitted to take them at three inches. I would suggest to the minister that he seriously consider reducing the size of the round oyster to three instead of three and a half inches. Very few small oysters are fished in Caraquet bay, because the regulation is very strictly enforced. I think the fishermen obey the law almost to the letter and return any three inch oysters to the waters of Caraquet bay and St. Simon bay. So I would ask the minister to reconsider the decision that has been made, fixing the size of the oyster at three and a half inches instead of three inches, as it was previously.

Mr. DURANLEAU: I see that my hon. friend realizes the difficulty of adopting different regulations for different fishing areas. This subject has been carefully studied by my department, and we are still considering the advisability of reducing the minimum from three and a half to three inches, not only in the northern part of New Brunswick but in the whole fishing industry.

Mr. VENIOT: I think it could be done for the whole province.

Mr. DURANLEAU: We are still considering that reduction.

Mr. VENIOT: Perhaps I could give the minister an example of a similar case. In connection with the lobster fisheries there are parochial regulations, so to speak; in northern New Brunswick, up to a certain imaginary line there is a certain season from the spring on into the summer, while from that point east there is a different season. Perhaps that might help the minister in coming to a conclusion, even if he should decide that the three inch size could not be made uniform all over the province; at least the regulation could be changed in certain sections, following the lines of the regulations in regard to the lobster fisheries.

Mr. MacLEAN: I should like to ask the minister how much was spent last year and where that money was spent. Was it all spent in Prince Edward Island or was part of it spent in New Brunswick.

Mr. DURANLEAU: The amount spent up to December 31, last was $8,803. I have not the exact figures as to the expenses in the different provinces, but I can tell my hon. friend that a large amount was spent in Prince Edward Island, in fact nearly all the vote.

Mr. MacLEAN: I wish to thank the minister for that information. I should like now to get from him information as to the receipts which have come in from the operation of the oyster industry. As the committee is probably aware, the government has taken over the administration of the oyster areas in Prince Edward Island, especially in the Prince county area. In the administration of those oyster areas certain grants have been made by way of leases to some who are taking out leases for the propagation of oysters on leased grounds. We would like to have from the minister information as to the total amount received from all oysters sold off those public grounds last season.

Mr. DURANLEAU: I am afraid some time would be required to give exact information as to the amount of money received from the sale of oysters, but I can tell my hon. friend results from the planting of spat. An area of about one-third of an acre on the Totten bed in the department's reserved area at the head of Bideford river was cleaned by tongers in 1929, and thoroughly mopped for star fish, on which were planted about four hundred bushels of shells, on which set of spat had been obtained by exposing them in wire boxes and in heaps on shallow shores. In August, 1932, 140 barrels of oysters were taken from half of the area. In 1933, an additional 216 barrels were taken, of which about one-half were of the original planted spat, and the remainder younger. In addition there were left on the bed all the oysters smaller than one and a half to two inches, and an estimated quantity of fifty barrels of larger oysters missed by the tongers. About one barrel per man was obtained on the last day. To summarize, in 1929, shells with spat planted amounted to 400 bushels; 1932, oysters fished, largely 1929 spat, 140 barrels; in 1933, oysters fished, 1929 spat, 216 barrels. There were estimated left on bed, in addition to many very small oysters, about 50 barrels, forming a total of 406 barrels. Then, in 1931 there were sold by the department for consumption, 67 barrels; in 1932, there were sold 12 barrels, and in 1933, 327 barrels. I can tell my hon. friend also that for planting purposes 225 barrels were sold in 1931, 233 barrels in 1932 and 153 barrels in 1933.

Mr. VENIOT: Would the minister tell me whether in the policy adopted by the government in connection with the cultivation of oysters empty shells alone are used, or if they use any other material for adherence of the spat? Do you use clean wood instead of shell for the adherence of spat?

Mr. DURANLEAU: We use different kinds of culch.

Mr. MacLEAN: The minister has stated that about 440 barrels of marketable oysters were sold, and that in the three year period some 611 barrels have been sold to the parties who have taken the areas for planting purposes. I should like to know if the oysters were sold by tender, and if public tenders were invited for the sale of the best quality oysters, namely those fit for shipping. Then, may I ask further at what price they were sold?

Mr. DURANLEAU: We asked for tenders in every case in which we sold oysters. Is the hon. member asking for the price we received?

Mr. MacLEAN: Yes, for best quality.

Mr. DURANLEAU: In 1931, for best quality, we received $8.25; in 1932, we received the same price, and in 1933, we received $8.

Mr. MacLEAN: The complaint has come to me that instead of public tenders being invited, tenders were invited from only a few parties who were interested in the shipping of oysters in the immediate vicinity. Fishermen feel it would have been wise to advertise for tenders in a public way. Then, there is the question of oysters procured for replanting on the beds. Included in those oysters were the 611 barrels which were taken for planting in private beds.

Progress reported.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READINGS

Bill No. 27, to incorporate Thousand Islands Bridge Company—Mr. Maloney.

Bill No. 30, respecting a certain patent of the American Dairy Supply Company—Mr. Anderson (Toronto-High Park).

CONSIDERED IN COMMITTEE—THIRD READING

The house in committee on Bill No. 11, respecting Prudential Trust Company, Limited—Mr. Bell (St. Antoine)—Mr. Hanson (York-Sunbury) in the chair.

On section 2—Dividends.

The CHAIRMAN (Mr. Hanson): This new section has been suggested by the superintendent of insurance and agreed to by the banking committee.

Section agreed to.

Bill reported, read the third time and passed.

SUPPLY

DEPARTMENT OF FISHERIES

The house again in committee of supply, Mr. Bell (St. Antoine) in the chair.

Oyster culture, $10,000.

Mr. MacLEAN: When the house rose at six o'clock we were endeavouring to get information from the minister regarding this vote, and I must confess that I was not altogether satisfied with such information as he had been able to give up to that time. I really think that we should have a full statement of receipts and expenditures in connection with this vote. It will be observed that the vote is for $10,000, and the minister told us that $8,800 had been expended. We endeavoured to ascertain from him where that money had been spent and we were unable to find out; all he said was that the largest portion of it was spent in Prince county, Prince Edward Island. It might leave a false impression with the committee simply to be told that $8,000 odd was spent there, and for that reason I should like to have ample information with regard to the item. In addition to that, we tried to get some information regarding the receipts that came in from that area and the minister told us that 327 barrels of oysters had been taken off the public areas in the Bideford section. These were sold at $8 a barrel, making a total of $2,616. Then 153 barrels were sold at $2 per barrel, making in the neighbourhood of $2,922. That amount was taken in as receipts for the oysters picked up around that vicinity. Now, if they were able to pick up about 480 barrels of oysters it would seem that these were fairly good producing areas. We must remember that we are not speaking now of cultivated areas; they are altogether a different matter from the areas off which the 480 barrels were taken. The committee will readily understand that in these hard times of depression the fishermen feel that they should have had the opportunity of fishing these oysters, and even of fishing to a larger extent and selling the product for their benefit, as was always done in former years. But some years ago restrictions were imposed and the areas were closed. Since that time the government and the Department of Fisheries have been handling the industry. Whether they are on the right track or not, I am not prepared to discuss at this time. If the department have decided that they are going to follow that course, I suppose all that the fishermen in that locality could do is to put up with it, but the fisheries have been looked upon as a right and the question has arisen whether even the government of the province or of the dominion can really prohibit the fishermen in that community from fishing for oysters in tidal waters. I understand that a test case has been started and is in the supreme court of Prince Edward Island at the present time, and I believe the fishermen intend to take it to the highest court in the land to see whether they are correct in their understanding of the situation.

What I want to point out at present is that if the sum of $8,000 was spent there, the government must have received in rent and sale of oysters some $3,000 or $4,000. I would ask the minister what was collected in the way of rentals this year. There are the yearly rentals for the areas and the new

licences that have been taken out. In all fairness to the people of that community, the government should furnish this information in detail, giving the amount of money received from oysters sold, the amount collected for rentals and new leases issued and all the details in connection with the matter. If the minister can give the committee that information now, I shall be glad to have it.

Mr. DURANLEAU: The number of leases issued last year was forty for Prince county and nine for Queens county, or a total of forty-nine. As regards fees, we are charging one dollar per acre for the first three years, three dollars per acre for the next two years and three dollars and a royalty for the succeeding years. The amount of the royalty has not yet been decided.

Mr. MacLEAN: What is the total amount collected for leases and rentals for 1933?

Mr. DURANLEAU: I have not the exact figure before me. The leases are not all the same; some are for five acres, others for three, and I think the hon. member knows enough about the matter to have an idea what revenue we get from that source.

Mr. MacLEAN: It is pretty hard for me to calculate just what the revenue would be, because, as the minister has stated, the rental varies each year and it is impossible for me to tell the number of acres each of those people has. I do not, however, suppose the point is very material. Last year I presented to the house a petition signed by many hundreds of fishermen asking that the government do not proceed with leasing public areas but allow public fishing to go on as in former years. I am sorry to say that although I presented the petition here in good faith, it was never acknowledged either by the minister or by the department, and no notice was taken of the representations made by the fishermen. As I stated before, the question is a live one in that locality. I am not going to debate the point whether the department is taking the right or the wrong course, but I wish to present the complaints that have been lodged with me against the present system. I have in my hand a memorandum which I would ask the committee to allow me to read because there is no other way of getting it on record on behalf of the people whom I represent.

At a largely attended meeting held at Freeland, lot 11, P.E.I., in September, 1932, a committee was appointed to draw up resolutions against private leasing of oyster areas and to present such resolutions to the federal government, and also to present such resolutions, as in the opinion of said committee, would be of benefit to the fishermen and labouring classes;

The said committee therefore presents the following resolutions:

1. That private leases of oyster areas are detrimental to the common welfare and interests of the ordinary fisherman, as they operate for the benefit of a favoured few and against the interests of the labouring classes.

2. That public opinion requires that private individuals be given no preference or special privileges in respect to the fisheries generally.

3. That the experimental work of the biological station at Bideford, P.E.I., under the direction of Dr. Needler is not of any material benefit to fishermen, nor assisting in the development or conservation of the oyster fishing industry.

I cannot say that I agree with that. Dr. Needler is making a remarkable study, and although the fishermen may not think he is making progress, I believe he is helping out the situation to some extent.

4. That it is beyond the power and authority of either the federal or provincial governments to lease said oyster areas to private individuals.

I see the former Minister of Fisheries is in his seat. I know he will be able to give a legal opinion on that.

5. That section 3, page 2 of the Fisheries Act is ultra vires of the federal government.

6. That a reasonable amount of moneys should be granted annually to the province of Prince Edward Island to help build up the fishing industry and to relieve the distressed fishermen and their dependents until such time as the industry returns to normal conditions.

7. That the fishermen of Prince Edward Island are entitled to such a grant as compensation for non-fulfilment of the terms of confederation.

8. That the development of the oyster industry be under the direction of a non-political committee of experienced fishermen.

9. That all oyster cultivation work be done by manual labour as much as possible, as it can be performed in this way more efficiently as well as more economically, besides giving needed employment to the labouring classes.

All of which resolutions are hereby submitted for the favourable consideration of the government of Canada.

William Bryant
Richard Murphy
Norman Thompson
Charles McFadyen
J. Ellsworth Gillis,
Secretary.
Committee.

That is signed by a committee of five fishermen who were appointed at this public meeting to carry out the wishes of those present and to make their representations to the government.

In addition to that, the same men have asked for a public investigation and the public

fishermen of that locality invite some of our good friends from the other counties of Prince Edward Island who are also interested in this question and who took part in the debate last year, to accompany a commission that may be appointed by the Department of Fisheries to look into the whole matter and, before anything further is done, to decide what is in the best interests of the people as a whole. I know the minister wishes to do what is right by the fishermen of the whole of Canada. I may say that a few years ago we had in that locality a wonderful oyster industry worth millions of dollars, but it was wiped out, as we have often pointed out. Now it is showing signs of coming back from natural causes as well as the help which has been afforded by the department. I think it is advisable that the request of the fishermen should be granted in regard to making an investigation of the whole situation before following this policy too far. Should a time come when the people there as a whole demand that these areas be handed back to the public, it would certainly be a difficult situation for the department to handle. Therefore before pursuing a policy of this kind too far it might be wise to have a thorough investigation of the situation to see what is best. I hope the minister has given this matter his personal consideration, because the fisheries of Canada is a very important industry which I regret always seems to have been sidetracked. One day we have a minister of fisheries; the next day we have an acting minister, and for a great many years we had none at all, the fisheries being linked up with the marine department. The fishing industry is of sufficient importance to receive more attention from the government of Canada than it has received. If there is any class of people in this dominion that has been neglected it is the fishermen. I do not think there is any other industry that is capable of such tremendous expansion and that the government could assist with such benefit. I would like to have a statement from the minister.

Mr. DURANLEAU: I am prepared to give a statement that I have on the subject, if it is the desire of my hon. friend, but it may be rather long.

Mr. MacLEAN: I think it is as important as any other subject.

Mr. DURANLEAU: I can give information about the number of acres under lease. We have about 245 acres under lease at the present time, at $1 per acre. We are pursuing the policy adopted by the former government for the improvement of oyster culture on Prince Edward Island; we have done nothing else.

Mr. MacLEAN: If the minister will permit, I have to take issue with him there, because under the former government there was never any policy of leasing public areas to private individuals.

Mr. RHODES: If my colleague will permit me to say a word, I think perhaps what the acting minister has in mind is that the policy which now obtains was arrived at by agreement between the former government of Prince Edward Island and the present administration. As far as I am aware it has been carried out with full approval of the present administration of Prince Edward Island. May I say to my hon. friend with regard to the petition he read from the group of fishermen, although I sympathize very sincerely with them in their plight, I regretted the views they expressed, as I do not think they are in accord with their own welfare. My hon. friend knows full well the oyster fishery that was wiped out in that area was because of free fishing; every man who could hire or buy or borrow or steal a rake would go out and help himself. The result was that a magnificent fishery, which was a source of great wealth to the countryside, was practically destroyed, to such an extent that they had to attempt to restore it by bringing in seed oysters from the United States. This resulted in ruin because they brought with them a parasite which gave the final coup de grace to the few remaining oysters in that area. It is only now being built up through the policy which has been arrived at by agreement, I am happy to say, between the provincial administration and the federal Department of Fisheries. If opportunity is given there can be developed in that area a fishery which will yield in wealth many times more than the whole of the fisheries of Prince Edward Island ever yielded in the past. I am speaking of just that one area in Malpeque bay alone. It has been estimated by those who have made a study of the matter that soil under the sea suitable for oyster cultivation can be capitalized at $1,000 an acre and yield a profitable return. These very men who signed that petition, if they had their wish, just as soon as these fisheries were built up to a certain stage would go out and tear them to pieces, as happened in the past. What will happen under the present system

of private leases, in which preference is given to those who live in the immediate neighbourhood, is that the individual who acquires a lease, having to pay a certain rental to the government for it and operating under government supervision, will endeavour to build up an enterprise which will grow with the years, producing more and more oysters, and in doing so more employment will be afforded for the very men who signed that petition; and instead of their going out for a few months in the year and raking a few oysters, under a proper system of cultivation there will be employment for them twelve months in the year.

I have briefly expressed my view after having given a great deal of study to the matter, because I have always felt that we have never properly utilized and developed the great potential value of our oyster fisheries in Canada. I believe the oysters from that area are the finest in the world. I have always felt great regret, in going to hotels and clubs throughout the country, even at a time when the United States dollar was at a premium as high as fifteen per cent over the Canadian, that we had to eat the American oyster—which I submit is an inferior oyster—because there were not enough Canadian oysters to supply our own demand. Let me say to my hon. friend and to the committee that if they do not subscribe to the point of view that I have just endeavoured to put forward, at least let us give the policy a chance to work out. It will take a few years, and in the meantime no one will suffer. I am convinced that if it is given a chance to operate under the excellent guidance and supervision of the Department of Fisheries—and I mention in this connection especially the work of Dr. Needler, who, I am glad to know, according to my hon. friend, has done most excellent work—this industry will thrive and prosper to the great benefit not only of Prince Edward Island as a whole but particularly that of the fishermen for whom my hon. friend has spoken this evening.

Mr. MacLEAN: I appreciate the remarks of the Minister of Finance (Mr. Rhodes), but those of us who have had actual experience all our lives in that area would have to take objection to some of his remarks. In the first place he states that the oyster industry was killed by overfishing. There my hon. friend is absolutely wrong. The oysterfishery is quite different from many other fisheries, for the life of the oyster industry is the annual fishing; the raking of the beds keeps them clean and in condition to catch the spat, and in that way you get your yearly crop. What did kill the industry there was the importation of oysters—

Mr. RHODES: Because it was overfished. They brought these oysters in because the area had been overfished.

Mr. MacLEAN: Well, no. If the government had been wise—it was under the local government then—the season would have been shortened to restrict overfishing, and imports of oysters from outside would not have been allowed. If the oyster industry gets back in the public areas to a position where the fisherman can make a day's pay, and he is not allowed to overfish, there is nothing in the world that would benefit the industry to the same extent. Members of the house must realize that these areas include thousands and thousands of acres, and it is impossible for the government to clean them by boats, by drags or by rakes. The only possible way in which they can be cleaned is by public fishing, provided that the areas come back sufficiently to allow the fishermen to make a decent wage. There are some sections at present where they can make some profit. The very fact that 480 barrels of oysters were picked up right around this area indicates that the public areas are coming back to quite an extent.

My hon. friend says that this policy was adopted by the previous government. May I inform him and those who were not in the house at the time that I took a very great interest in this matter because these fisheries are right in the centre of the county which I have the honour to represent, and, as the Minister of Finance has said, this industry is worth millions of dollars. My aim, and the deputy minister would bear me out if he were allowed to speak, was to bring back those areas for public fishing under the supervision of the Department of Fisheries rather than for private lease. I wish hon. members who represent fishing counties would put themselves in my position; let them realize if they can what it would mean if the banks off the coast of Newfoundland were leased to private individuals. We have seen the fuss they have had in Nova Scotia in connection with trawlers, and that is only a small instance of what happens when the fisheries get out of the hands of the public. We would like to see these areas brought back in the interests of the public fishermen under the direct supervision of the government. I think I have made a reasonable request, and I hope that

before anything very drastic is done in the way of leasing large areas the department will go into the whole situation very carefully and see if they are on the right track.

Mr. DURANLEAU: I have only a word to say in reply to my hon. friend, and I should like to emphasize what has been said by the Minister of Finance. During the best days of Malpeque bay, in my hon. friend's constituency, they produced over five thousand barrels per year; in 1912, before this policy was adopted, the production had dropped to four hundred barrels per year. The fisheries had practically disappeared through overfishing in that part of the country. May I tell my hon. friend that the views expressed by the Minister of Finance are shared by outstanding citizens, members of the Liberal party, of Prince Edward Island. I should like to put on record the appreciation expressed by an outstanding Liberal of that province, Hon. Walter Lea, leader of the Liberal party in the province of Prince Edward Island. In 1932, Mr. Lea stated:

> I may be treading on very dangerous ground to suggest the approval of any method of protection for our oyster industry, but certainly the cultivation of the beds by the federal department is a very wise move and should have the support of every man in this province regardless of his political affiliations or who was responsible for the change that was made.

I think this expression of opinion should be worth something to my hon. friend.

Mr. MacLEAN: If the minister wants to introduce politics into this question, which is the last thing in the world I want to do—

Mr. CANTLEY: You are down to the bottom of your argument now.

Mr. MacLEAN: Let me tell my hon. friend that if he would play politics in a matter of this kind in Pictou county I would not stoop to that in my county. If I wanted to make political capital out of this I certainly could do so, but that is not my wish. This matter is too important for that, and I am surprised that any hon. gentleman holding the portfolio of fisheries should even make the suggestion. I agree with what Mr. Lea has said; we all want to see those areas brought back, but if anyone should get credit for what has been done it is my humble self. I worked hard to get the government to take over that area, and it was only after getting the provincial government and federal government in line that we were able to get the dominion government to take action and spend some money. If my hon. friend wants to raise political considerations let me tell him that the Conservative government of Prince Edward Island took over those areas and destroyed them, worked them out through careless importation of oysters, without giving any consideration at all to the fisheries. That is the situation, if my hon. friend wants to know it.

As I said before, Mr. Chairman, I do not want to bring politics into this discussion at all. The subject is too important for that; it affects too many people. There are thousands of people in that community who are looking forward to the day when something will be done in their behalf in connection with this industry. It gave them a livelihood for a number of years, and you may be sure that they have had very hard sledding, as the saying is, since this industry was wiped out. So I hope no one will try to inject politics into this matter. Last year I was even accused by some hon. gentleman opposite of arranging those indignation meetings which were held in connection with the leasing of those areas. I want emphatically to deny that statement. I was sorry those meetings were held. I attended them, as did my opponent in the last election, and we did all we could to reconcile the two factions and get them together. That feeling is there, however, and now it is up to my hon. friend the Minister of Fisheries to look after this industry. The government have adopted the policy of leasing, which was never contemplated by the Liberal party; I never gave my consent, and never would give it, to this proposal. I am prepared to stand by the public fishermen as against private interests first, last and all the time. So I am going to leave that matter with the Minister of Fisheries, if he wishes to introduce politics.

Mr. RHODES: My hon. friend from Prince is rather ingenious, to say the least; he proceeds to find fault with the acting Minister of Fisheries for introducing politics, and then he immediately says the Conservative party is responsible for annihilating the oyster beds in Malpeque bay. Of course there is nothing political in that remark. As a matter of fact the acting Minister of Fisheries did not bring in politics at all; his reference was made solely with a view to preventing politics being introduced into the discussion. I may say to my hon. friend that, as Minister of Fisheries during the period when this agreement was entered into with the province of Prince Edward Island, as far as I am concerned I am happy to assume my full share of the responsibility. At the same time I want to

pay tribute to the statesmanship and breadth of view of Mr. Lea, who was the Liberal premier of Prince Edward Island at that time. He had the capacity to rise above petty political considerations and keep in mind only the welfare of the industry itself and those who were dependent upon it. I hope my hon. friend will not misunderstand me when I say that in the maritime provinces we have ample subjects upon which to engage in political discussions and disputes, if we so choose. It is a most fertile area. In fact, I sometimes think that if we cannot find a subject for political dispute we will invent one. But may we leave any discussion of this industry, one which is fraught with such great possibilities for Prince Edward Island and other sections of the maritime provinces, outside the realm of political discussion. I can assure my hon. friend, and I believe I may speak for the acting Minister of Fisheries, that there is no desire to make political capital out of the matter, either one way or the other, and so far as I am concerned I will do my best to keep my eyes focused on the welfare of the industry. I hope the hon. member for Prince will take my word for it that that is the attitude of the acting minister and myself, and I venture the hope that the hon. member will cooperate with us for the benefit and common welfare of the industry.

Mr. McLURE: Before the item passes I should like to say a few words. On one point, namely that of the importance of this industry to Prince Edward Island, I must agree with the hon. member for Prince. It is so important that I believe hon. members on this side of the house do not wish to make a political football of the oyster business in Prince Edward Island. It is admitted to-day that the leasing and cultivation of oyster areas in that province has been a decided success, and while there has been some criticism of the acting Minister of Fisheries, I want to say that in my constituency, one in which great interest is taken in oyster farming, the people are loud in their praises of the policy pursued by the Department of Fisheries and the success it is having in the cultivation of oysters and the renewing of the industry. To such an extent is interest awakened in the industry that dozens of people are asking for leases in Alexandra bay, Pownall bay, Vernon river, Orwell bay, Orwell river and Rustico bay. A proper survey should be made of these territories. We know they are not barren bottoms, but there are certain areas in those rivers which should be leased for the benefit of the whole industry, because every farmer who takes a lease does some cultivation, and the fishermen fishing on the regular beds get the benefit of it.

As has already been said, the oyster business of Prince Edward Island has reached the point where an excellent article is offered to the trade. Apart from the information the hon. member for Prince has given the committee in connection with some dissatisfaction in regard to leases, I must say that I have never heard any person opposing leases. In fact, the fishermen look upon leasing as a regulation which will save the industry for them, and while there may be an odd one, such as has been described by the hon. member for Prince, who would like to see a cancellation of the leases, I believe the majority of the fishermen know enough about the regulations with respect to lobster fishing and as to what the regulations have done for that industry that they are quite anxious to uphold the Department of Fisheries in what it is doing for the oyster industry. In 1928 the federal government entered into a contract with the provincial government, and the policy inaugurated at that time is the policy being carried into effect to-day by the Department of Fisheries. If we are to give the government in power in 1928 credit for its policy and outlook, we must also give this government and its Department of Fisheries credit for carrying that policy into effect, and for promoting an industry for the fishermen of the province. I should like to impress upon the acting minister that in the county of Queens we would like a further survey of the bottoms of areas which are unproductive, with a view to affording our people an opportunity to take up leases for oyster farming.

Mr. REID: I should like to ask the minister a question regarding two areas in the district of Surrey. In 1930 two areas were set apart for biological purposes, on the Serpentine and Nicomelk rivers, not far from New Westminster. Can the minister say if those reserves for biological purposes still remain in the rivers I have named, and if so what work, if any, was done along those lines last year?

Mr. DURANLEAU: There was no change in the regulations.

Mr. REID: Was biological work done last year by the department on those rivers?

Mr. DURANLEAU: There was a station at Nanaimo studying the oyster problem of the Pacific coast, but I do not know to what extent they have used the rivers mentioned by the hon. member.

Mr. CANTLEY: I should like to call the attention of the minister to the East river of Pictou. Some years ago a decision was made to dredge the channel of the river. Three tangents were set out, one of which cut through the most important oyster bed of the East river and cut through eighteen feet of oyster shell. This operation destroyed to a very great extent the oyster fisheries on the river. Would the minister be good enough to take whatever steps are necessary to replenish the river from the Malpeque beds, or from some other beds, because this is a matter of importance to us. As the Minister of Finance has pointed out, our maritime oyster beds were formerly a great source of revenue, and with attention could be made as great a source of profit in the future. I hope the minister will be good enough to consider my request, and act upon it within a reasonable time.

Mr. DURANLEAU: I am told that the provincial authorities have in hand the development of the oyster culture in that area. I shall be pleased, however, to look into the matter and see if something can be done by my department.

Mr. DUFF: Before we get away from this matter of oyster culture may I say that while I have listened with great interest to all that has been said I am still at sea as to what it all means. Those who are in favour of the present policy endeavour to tell the committee that the policy was followed in order to conserve the oyster areas and to make oysters more plentiful. They say the reason for giving the leases to private individuals was to protect industry. Well, I believe the minister will agree that the point as to whether a private individual would protect the beds better than the public would protect them, is a moot one. In the first place, I cannot understand how the fishermen are going to benefit through the leasing of these oyster beds to private individuals. If the beds are leased the only persons who are going to benefit are those who have leased them. After all, it is the fishermen who really own the ocean. The minister and the hon. member for Queens (Mr. McLure) say that these beds were leased to private individuals in order to make more money for the people of Canada. I cannot understand that. I should like to know how the minister or the department or the government can lease oyster beds outside the low water mark. Anyone can go and fish outside the low water mark and neither the minister, the department nor the government can prevent them. I should like to know from the minister how the interests of the fishermen of Prince Edward Island are being protected by the leasing of these beds to private individuals.

Mr. MACDOUGALL: They were leased to private individuals when the hon. member was supporting the King government, yet he made no objections.

Mr. DUFF: That does not make it right. The King government is not on trial, and the fisheries department under that government was not any worse than it is under the present government.

Mr. MACDOUGALL: Perhaps not.

Mr. DUFF: There were no private leases granted when the King government was in power; these leases have been made since 1931 under this government.

Mr. MACDOUGALL: Leases were given in 1922 under the King government and the hon. member did not object.

Mr. DURANLEAU: We are building up an industry where practically none existed previously. These lessees are cultivating the areas and are producing where there was no production before.

Mr. DUFF: If the idea was to build up the industry, why did the minister lease these areas to private individuals? Why did not the government keep the thing in their own hands and not lease these areas to private individuals who will be the only ones to have the right to fish? The minister does not mean to tell me that after leasing these areas to private individuals those individuals cannot rake the beds and take off the oysters. If the minister had said that this matter was going to be kept in the hands of the government in an effort to increase production, that no one was to be allowed to take oysters from the areas in question, then I could understand it; but the minister has leased these areas to his own friends who can go on—

Mr. CANTLEY: No.

Mr. DUFF: Yes, I know what I am talking about. The minister has leased these areas to friends of his party in Prince Edward Island. These private individuals can go on the areas and take off all the oysters they want. Does the minister mean to tell me

that these men who have leased these areas are not going to take just as many oysters from the areas, if not more, than if the public were entitled to go there and fish?

Mr. MYERS: I do not know whether the hon. member for Antigonish-Guysborough (Mr. Duff) has done it deliberately, but the fact is that he has conveyed a false impression to the committee. It should be understood quite clearly that the Department of Fisheries has not leased any of the public beds. What it has done is to lease barren bottoms where oysters were never cultivated before. An industry is being built up on bottoms which were never productive before. It should be understood that there are still public beds available to the public just as there have been since the time Adam was a little boy.

Mr. YOUNG: He never was.

Mr. MYERS: For quite a long time. These barren bottoms are being leased to men who live adjacent thereto. The government is saying to them: Here, you go on there and plant your small oysters and then you will have the right to fish them. It is well known that the spat will drift to the public beds and in that way a benefit will accrue to those who fish those beds. There will be a benefit to the fishermen at large.

A few moments ago the hon. member for Prince (Mr. MacLean) stated that he did not seek to interject politics into this discussion. This matter is really too big for that; it is one of the most wonderful industries we have in Prince Edward Island. Yet that does not prevent the hon. member from playing the game of politics. I know of no member in this house who is more expert in twisting and turning everything to his own political advantage.

Some hon. MEMBERS: Order.

Mr. MYERS: If you knew him as well as I do you would say I was well within the mark. I am of the opinion that if the department had taken the opposite course and had refused to lease these barren bottoms in an effort to build up the industry, the hon. member for Prince would have kept his ear quietly to the ground until he heard the reaction in Prince county, and just as soon as he saw the direction in which the wind was blowing he would be right there with the goods. Far be it from me to interject politics into this discussion. I feel quite sure that when I take my seat the hon. member for Prince will tell me that I do not know anything at all about oysters. I think I remember his telling me that last year. However, I can tell him that I know a good deal about oysters, and my sympathies are all with the oyster fishermen. I hope the minister and the department will carry out the suggestion of my colleague, the hon. member for Queens (Mr. McLure). I think the department would get a squarer deal if they forsook Prince county altogether and moved their activities into Queens. They would receive the support to which they are justly entitled. I hope the minister will follow up the suggestion of my colleague that a survey be made of the areas in Queens county which we have the honour to represent. If that is done I can assure the minister that we will give our heartiest support to the project and do everything to further the activities of the department along these important lines.

Mr. DUFF: I appreciate what the genial member for Queens (Mr. Myers) has just said, because he backs up my argument. He stated that while the government was not able to help the public beds they were arranging that leases be given to private individuals. I stated that if the government hoped to help this industry in Prince Edward Island, leases should not be given to private individuals.

Mr. CANTLEY: Why not?

Mr. DUFF: The answer is very simple. If leases are given to private individuals, the ordinary fishermen will have no chance to fish for oysters.

Mr. CANTLEY: The ordinary fisherman can get a lease; he is a private individual.

Mr. DUFF: These leases were given to a favoured few. If every fisherman in Prince Edward Island had a chance to get a lease—

Mr. CANTLEY: He has, equally with his Grit or Tory neighbour.

Mr. DUFF: We will find out. The hon. member for Pictou (Mr. Cantley) says that every fisherman in Prince Edward Island has a chance to get a lease of an oyster bed. Will the minister tell me how many leases have been granted during the last three years, and to whom they were granted?

Mr. MYERS: The hon. member says that oyster areas should not be leased to private individuals. May I ask him what a public individual would be.

Mr. DUFF: A public individual is the public, that is, one or more or a dozen or twenty-five or thirty. My hon. friend knows

that he is more responsible than anyone else for advising the minister to lease these areas in Prince Edward Island to some of his Conservative friends.

Mr. MYERS: That was done prior to 1930; the agreement was arrived at before 1930. So far as leasing these areas is concerned, let me tell my hon. friend that we hope by that action to make the lessees Conservatives, but they were not Conservatives when they got the leases.

Mr. DURANLEAU: In answer to the hon. member for Antigonish-Guysborough, I may inform him that the number of leases issued during the last three years was forty-nine, forty in Prince county and nine in Queens.

Mr. DUFF: How many were issued before that?

Mr. DURANLEAU: There are sixty-four approved applications in addition to the leases already issued.

Mr. DUFF: Were any issued before August 1930?

Mr. DURANLEAU: I do not think so.

Mr. DUFF: No, exactly. Will the minister give the names of those to whom leases were issued?

Mr. DURANLEAU: I shall try to get the information. In regard to my hon. friend's charge, that we are leasing to friends of the party in power, may I tell him that we have adopted certain regulations that are followed very closely, and everything is published in the press before the leases are issued. This is the policy we follow. In the event of there being conflicting applications preference is given in the following order: first, to the shore front owner; secondly, to the owner of the shore front opposite a departmental reserve area; thirdly, to a resident of the district, and so on. We are following these regulations strictly, so that there is no question of politics in the granting of the leases. Moreover, we are making the areas so small that almost every fisherman, if he desires, can get a lease.

Mr. MACDOUGALL: A licence of a similar sort has been granted in Nova Scotia for the last fifteen years.

Mr. VENIOT: That is under the local government.

Mr. MACDOUGALL: No, some of it was under the King government.

[Mr. Duff.]

Mr. CANTLEY: My friend the admiral makes a mistake in supposing that oyster fishing is carried on beyond the three mile limit.

Mr. DUFF: Low water mark.

Mr. CANTLEY: To-morrow morning we shall see in Hansard what the hon. gentleman said. The fact is that oysters grow only in brackish water, in the estuaries and bays where the fresh water mixes with the salt water.

Mr. VENIOT: Don't they live in fresh water at all?

Mr. CANTLEY: No, clams will.

Mr. VENIOT: They cultivate them in fresh water.

Mr. CANTLEY: Perhaps they do in New Brunswick.

Mr. VENIOT: We have the real thing there.

Mr. CANTLEY: I suppose you think you have. Now the other point I wish to make, in reply to my hon. friend from Antigonish-Guysborough, is that the man does not get a licence to fish but to cultivate oysters. He is allotted a certain area, and the minister has explained how and why. There is an important difference between establishing an oyster farm, if you call it that, because that is really what it is, and getting a licence to fish oysters. They are two separate and distinct things, and I hope I have educated my friend the admiral and given him some little information of which he was not before in possession.

Mr. DUFF: I am glad my hon. friend from Pictou likes me, but I must say this. While we are living in a very unselfish world, where we have at heart nothing but the interests of the state, I can understand that when we get to heaven the idea of the hon. member for Pictou may be carried out and people will get a licence from the government to cultivate a certain thing or build up a certain industry without reaping any rewards.

An hon. MEMBER: That is predestination.

Mr. DUFF: Yes. But I have been mixed up with Methodists and Baptists and Episcopalians for so many years that I realize that apart from my hon. friend from Pictou and other Presbyterians, people generally expect to reap the reward of their labours; and no one can tell me, and I am sure my hon. friend from Pictou did not mean to suggest, that any man would ask the Minister of Fisheries for a licence to cultivate oysters for someone else to reap the benefit therefrom.

Mr. CANTLEY: No, of course not; no one so suggested.

Mr. DUFF: Absolutely not; my hon. friend did not finish his sentence. What he said was that all that these men get the licence for is to cultivate oysters, but he said nothing about reaping the benefit from that cultivation; he mentions nothing about taking and selling the oysters. Now, no one can tell me that people living in Prince Edward Island, who are the canniest Scotchmen in Canada, would cultivate oysters without expecting to market them. So that my hon. friend knows that from these beds which have been leased to private individuals oysters have been taken for the last three or four years. These Conservative lessees, recommended by the junior and the senior members for Queens, have been cultivating the beds and taking the oysters. My hon. friend from Pictou is so innocent and simple in his Presbyterian doctrine that all he thinks of is building up the country. But I want to say to him that the people in Prince Edward Island are different from those in Pictou; they are a different class of people. These Prince Edward Islanders not only want the leases but they want to make money out them, and that is what they are doing. The innocent acting Minister of Fisheries is placed in a very awkward position when he brings the estimates of the fisheries department to the house; he has to get the hon. gentleman who was minister for a couple of years to help him out. In connection with the oyster question, my hon. friend from Pictou deliberately entered into an argument to assist the acting minister, because he knows that the minister had no right to grant leases to private individuals. The fisheries are public property; they belong to all the people of Canada. What right has the Minister of Fisheries to grant a licence to any private person? This afternoon he told us, when I did not have an opportunity to answer him, that he has even given licences to people to catch fish in Hudson bay. Why should there be any licences? If the hon. gentleman who has just held up his hand, the Bright Fan advocate, wanted to catch fish in Hudson bay, why should he have to have a licence? Imagine people sailing to the middle of Hudson bay, five hundred miles from land, having to apply to the deputy minister or the minister for a licence to catch codfish or haddock. The thing is ridiculous. And the same applies to granting licences to men to cultivate oysters in Prince Edward Island. That is not the idea of this fisheries business. Let all the fishermen of Prince Edward Island go out and cultivate oysters. They are more interested in the matter than is the Minister of Finance or the acting Minister of Fisheries, and they are not going to kill an industry. Why? Because their bread and butter depend upon it.

Mr. CANTLEY: They did practically kill it.

Mr. DUFF: No, they did not kill it. The Lord killed it; the Presbyterian Lord of the hon. member for Pictou killed it; it was not killed by the fishermen. The trouble with the hon. member for Pictou is that he is a Tory; outside that he is a decent gentleman, but unfortunately he has Tory principles and he cannot get away from them. There is too much paternalism in the whole matter of carrying on government in this country; there are too many regulations, too many restrictions. My hon. friend must realize that the fishermen of Pictou county who catch smelts are more interested in the protection of fisheries than is the acting minister of that department. The reason is that it is their livelihood, their bread and butter. Does the hon. member mean to tell me that the fishermen around Pictou who catch thousands of barrels of smelts are interested in killing the industry? Of course not. He knows that better than I do. Is there any fisherman in Prince Edward Island or Nova Scotia who wants to see the codfish or mackerel or herring exterminated? Of course not. Yet the acting Minister of Fisheries and his officials—and there are not two in the whole department who know anything about what they are doing—come to the house and make restrictions and regulations and give leases. What for? Just to try to show that they are earning their money. They do not know anything about the industry. Those who know something about the industry are the men on the coast of Nova Scotia who have to get up at four o'clock in the morning, boil a kettle, and go out in the fog, rain or snow to catch smelts in Pictou county or codfish off the Nova Scotia coast, and yet the acting minister and his officials try to tell us to-night that the fishermen do not know enough about what they are doing to protect the industry. Why should my hon. friend try to protect the acting minister who, after all, is only a figurehead? I see the Minister of Finance rather objects to my remark, but I am not saying it in a nasty way. The acting minister knows he is only a figurehead in this matter. The fishermen, whether they are on the British Columbia or the Nova Scotia coast, are more interested in protecting the fisheries than is the acting minister or his officials, and when the latter

tell us that they have to give leases of oyster beds to private individuals in order to protect the fisheries, they do not know what they are talking about or they are not telling the truth in regard to the industry in Prince Edward Island.

Mr. CANTLEY: I am glad a new prophet in the person of my hon. friend the member for Antigonish-Guysborough has arisen in Israel. It is quite evident from the latter remarks of the hon. member that he has learned practically nothing in the last half hour. He still confuses giving licences to establish oyster farms with giving licences to fish oysters. There are no licences, so far as I know, issued to fish oysters.

Mr. VENIOT: Yes, there are.

Mr. CANTLEY: Perhaps so in his province. The hon. member can have his turn after a little.

Mr. VENIOT: The best time to correct the hon. member is now.

Mr. CANTLEY: The other point on which the hon. member for Antigonish-Guysborough was astray was in respect to fisheries outside the three mile limit. There are no oyster beds outside the three mile limit, and so far as I know, never were.

Mr. DUFF: I did not say that.

Mr. CANTLEY: There is no intention of establishing farms outside the three mile limit, for the reason I suggested a little while ago, that oysters live in brackish and not in salt water. After these observations, I hope the admiral will hold his peace for the rest of the evening and allow the business to proceed.

Mr. DUFF: I am afraid I cannot do that. In the first place I did not say that oysters developed outside the three mile limit. I asked the minister whether the department had control of oysters outside the low water mark.

Mr. CANTLEY: No; that was not my hon. friends' statement. We shall see to-morrow what the hon. member really did say.

Mr. DUFF: All right. The second point is this: My hon. friend is still astray. What I say is that there is no private individual in Canada who is going to be such a philanthropist as to take a lease from the department to cultivate oyster beds unless, after cultivating those beds, he has the opportunity to reap the reward of his labour.

Mr. CANTLEY: Nobody ever disputed that.

Mr. DUFF: The hon. member did.

[Mr. Duff.]

Mr. CANTLEY: No, I did not.

Mr. DUFF: Then what is the argument all about? That is exactly what I said, that if by giving those areas to private individuals—

Mr. CANTLEY: The hon. member is getting a little mixed now.

Mr. DUFF: No, I am not. I am afraid my hon. friend is trying to support what his Conservative government has done in the way of giving leases and special privileges to certain individuals, by saying that those individuals are philanthropists and are going to cultivate those areas without deriving any benefit therefrom.

Mr. MACDOUGALL: They are fishermen and they have a right to that.

Mr. DUFF: No, they are not. What I say is that the government have no right to give those privileges to any particular individuals. If the government wanted to promote the industry, they should have taken charge of those areas themselves and cultivated them, and then when the areas were fit for fishing, they should have thrown them open to the public instead of giving them to private individuals who, the hon. member now says, after cultivating them, are going to reap the benefit. Those areas should have been taken over by the department, and then when they are fit for fishing, they should be thrown open to the public and not given to certain individuals whether friends of the Conservative or of the Liberal party.

Mr. MYERS: I have listened with pleasure to the discussion to-night. I was interested to hear for the first time from the lips of the hon. member for Antigonish-Guysborough that the Lord was a Presbyterian. I was just wishing that he had gone a little further and told us what political leanings He had.

Mr. DUFF: Liberal.

Mr. MYERS: I rose to correct the hon. member on one point. He questioned the right of the department to lease beds for the cultivation of oysters below low water mark. Does the hon. member know that an oyster cannot under any condition whatever live inside the low water mark? Does he know that they have to be in water deep enough that the ice does not touch the bottom? The hon. member by that remark showed me very clearly that he does not know the A B C of the oyster industry.

Mr. DUFF: Where ignorance is bliss, 'tis folly to be wise.

Mr. MYERS: That is what I say.

Mr. MacLEAN: The hon. member for Prince started something to-night when he brought up this question of the oyster industry. I am grateful to the hon. member for Queens (Mr. Myers) for being so complimentary to me and extolling my political acumen by saying that I have my ears to the ground and always know the way the wind blows. I accept his compliment with the best of grace—

Mr. DUFF: And with a grain of salt.

Mr. MacLEAN: —and possibly with a grain of salt, and I feel that I can reciprocate in that regard because my hon. friend might apply it to himself. I am not accusing the government of playing favorites in issuing licences, but I want to point out a few matters that the committee do not seem to understand. In the first place, when a man is granted a lease, he is the only one who can get a permit to take oysters off the public areas and put them on his own private area. I want the committee to get that clearly. The public fishermen are not allowed to fish or market oysters, but the moment a man takes out a lease he can go to the Department of Fisheries and get a permit to pick oysters on the public beds. Not only can be get a permit for himself but he can get one for nearly every member of his family, I think every man who owns a plot can get four permits. In that way the people who hold these private areas can scoop up from other areas all the good oysters available and put them on their private ground. That is one of the things that the fishermen object to very strongly. Then the people want to know whether the department has the power to lease these areas to private individuals. If the government has that right, possibly the fishermen will be content, but at the present time they are obsessed with the idea that the department have no more right to lease oyster areas to private individuals than they have to lease the Newfoundland fishing banks to private interests.

Mr. MACDOUGALL: Was not the control of fisheries vested in the federal government under the British North America Act in 1867? Who else has a right to control them?

Mr. VENIOT: No, it was not—only the power of regulation.

Mr. MacLEAN: I understand that the power of regulation is vested in the Dominion government, but that the fisheries are vested in the provinces, and Prince Edward Island has signed an agreement turning these areas over to the dominion government for purposes of regulation.

Mr. MACDOUGALL: Where do you find that in the act?

Mr. MacLEAN: The fishermen would like to have that question settled definitely and clearly, as to whether in tidal waters the Department of Fisheries can lease areas to any individual.

Mr. DURANLEAU: As to the power of the federal authority to issue leases to private individuals, I would refer my hon. friend to section 61 of the Fisheries Act, which reads as follows:

> Special licences and leases for any term of years may be granted to any person who wishes to plant or form oyster beds in any of the bays, inlets, harbours, creeks or rivers, or between any of the islands on the coast of Canada; and the holder of any such lease or licence shall have the exclusive right to the oysters produced or found on the beds within the limits of such lease or licence.

Mr. DUFF: That is exactly what I said.

Mr. CANTLEY: Surely the man who plants a farm is entitled to the crop. The same thing is true in regard to oysters. As the minister has pointed out, the only licence a man can get is to fish for oysters to plant on leased ground that he has taken, which up to that time has been barren of oysters.

Mr. MacLEAN: I see clearly that my hon. friend does not understand the situation yet.

Mr. CANTLEY: He is very slow in the uptake.

Mr. MacLEAN: They have to have a licence for fishing oysters even on the public beds; all oyster fishermen have to have a licence, the same as the lobster fishermen. But what they object to is the special privileges given to the private owner. If a man wants to lease an area and to cultivate it and wait until it builds up, possibly he has the right to it. But they do not feel that he has the right to go out and clean up all the oysters off the public areas and put them on his own private area.

Mr. VENIOT: And even sell some of the oysters taken off the public bed.

Item agreed to.

Marine biological board of Canada, $175,000.

Mr. VENIOT: Might I ask for some information in connection with the work of the biological board at St. Andrews? I wish particularly to refer to the part which they may be taking in the investigation that was begun and I understand is not yet finished in connection with the fisheries and the construction of a dam at Passamaquoddy bay.

Mr. DURANLEAU: I think my hon. friend knows that the report of that commission has been made and submitted to both governments, but so far nothing has been released by the governments as to the contents of the report.

Mr. VENIOT: I know nothing of any report having been made either to the Dominion or the United States government. I am very anxious to know the purport of that report. Is there any means of my obtaining a copy?

Mr. DURANLEAU: I cannot tell the hon. member now why the governments have not yet made public the report of that commission. There may be some special reason, but I can say that the report is in the hands of both governments at the present time.

Mr. VENIOT: Will the minister look into the matter, and if the report can be released have it laid on the table of the house?

Mr. DURANLEAU: I shall look into the matter, with pleasure.

Mr. VENIOT: It is very important. One of the biggest branches of our fishing industry in New Brunswick is sardine canning. New Brunswick has at Lepreau the largest sardine canning industry in the world. Some years ago it was proposed to construct a dam for hydro electric power development purposes, which would cross certain sections of Passamaquoddy bay. It was to cross international waters, and the contention was that the construction of the dam would to a very large extent destroy this industry of sardine canning on the Canadian side.

An act was passed by the province of New Brunswick incorporating a company known as the Cooper company for the purpose of constructing such a dam. An act was also passed by the federal government limiting the time within which such work should be constructed, after submission of the plans and specifications to the departments of fisheries, marine and public works for their sanction. They came back to this parliament for an extension of that franchise, which expired, I believe, in 1929, and a committee of this house, after studying the bill, refused to recommend that the extension be granted. Then it was decided that a thorough investigation should be made by the Canadian and United States authorities; although the greatest part of this work was to be in Canadian waters a small section of the dam would be on the American side. A certain amount of money was voted in order to carry on that investigation, and I understand that the members of the commission representing the Canadian side of the question were the present deputy minister of fisheries, the head of the biological station at St. Andrews, and some other gentleman. Several meetings have been held; this matter has been under consideration for three or four years now, and I understand from what the minister has said that a report has been submitted to both governments. Since we in the province of New Brunswick are deeply interested in this enterprise and in the protection of this branch of our fisheries I think we are entitled to know what is contained in that report. I think we should be told whether the joint commission is favourable to the construction of the dam and whether they have discovered that it will not interfere with the fishing or destroy the feeding grounds of these sardines. There is only one place in Canada, in addition to the bay of Fundy, where sardines are found; I think the other place is the estuary of the Saguenay river, where sardines are found in small quantities. I believe that many of the sardines canned on the American side were caught in Canadian waters, and if this dam is constructed almost entirely on the Canadian side, and if it destroys the Canadian sardine fisheries, it will mean great hardship and loss to those living along the shores of the bay of Fundy and Passamaquoddy bay. I would like the minister to look into the matter and, if possible, table that report.

Mr. NEILL: I should like the minister to use some of this money in following up the investigation into the habits of the pilchard on the Pacific coast. As the deputy minister knows, the pilchard run was a total failure this year; after a good deal of time had been wasted some steps were taken to hunt for them, and they were discovered a long way off shore. So far as I am aware no one knows why they act that way. We do not even know where they spawn, and this new industry is in a very bad way just now. So I think some of this money should be spent on an investigation of their habits, where they come from and where they spawn. Very little money was spent in this last year; the work was stopped because there was not enough money.

Mr. DURANLEAU: I can tell my hon. friend that this investigation will go on.

Mr. MacINNIS: I have had some complaints from some of the lower paid staff in the biological service, to the effect that their wages are too low. I wonder if the minister has the scale of wages and if he would let me know just what the wages are.

Mr. DURANLEAU: Does my hon. friend refer to the Nanaimo station?

Mr. MacINNIS: Yes.

Mr. DURANLEAU: I can give the salaries paid the different officials at that station. They are as follows:

Director, Doctor Clemmens, $5,400.
Assistant Biologist, Doctor Foerster, $3,900.
Assistant Biologist, Doctor Hart, $3,000.
Scientific Assistant, Mr. Pritchard, $2,760.
Scientific Assistant, Mr. Elsey, $2,640.
Scientific Assistant, Mr. Mottley, $2,280.
Scientific Assistant, Mr. Tulley, $1,620.
Scientific Assistant, Mr. Tester, $1,500.
Scientific Assistant, Mr. Ricker, $1,800.
Scientific Assistant, Mr. Denno, $1,500.
Scientific Assistant, Mr. Hayes, $1,200.
Foreman, W. F. Baxter, $1,600.
Foreman, Mr. Stannard, $1,000.
Mechanician, Mr. Crocker, $1,000.
Caretaker, Mr. Russell, $1,260.
Stenographer, $900.
Stenographer and statistical assistant, $960.
Clerk, Miss Robinson, $900.
Master of boat, Mr. Grove, $1,200.
Engineer, Mr. Randall, $1,000.
Deckhand, $500.

Mr. MacINNIS: That is the whole staff?

Mr. DURANLEAU: Yes.

Item agreed to.

To provide, subject to the approval of the governor in council, for a grant to the United Maritime Fishermen, $4,050.

Mr. NEILL: I wonder if, with fear and trembling, one might ask for some details of this vote.

Mr. DURANLEAU: The fishermen of the maritime provinces and the Magdalen islands have formed themselves into an association known as the United Maritime Fishermen, with the object of enabling them to better their conditions by cooperation and other means. The association is proving to be of assistance in the development of fisheries, and enables the department to consult with officials who represent the fishermen as a body. Through its efforts improvement in handling and the preparing of fish for market can be brought about much more quickly. The association must depend on fees from the members to meet its expenses. Owing to the present depressed condition of the industry, it seems impossible for the association to procure sufficient funds to enable it to function properly. Hence it applied to the department for aid, and $4,500 was provided last year. Only $4,050 was paid to the association, because ten per cent or $450 was retained against the saving of $14,000,000 mentioned by the Minister of Finance in his budget speech. Provision for that amount only, namely $4,050, is made this year.

Mr. NEILL: How many members are there in the association, and how long have they been receiving this grant? I did not just catch what the minister said as to what they do with it. Do they make any return to the government as to how it is spent, or what does the government receive directly or indirectly in return for the expenditure?

Mr. DURANLEAU: The government does not have a report from the association, because we make only a grant to aid in the association's work.

Mr. NEILL: The minister does not know how many members belong to it. That is a rather extraordinary statement.

Mr. DURANLEAU: I did not say that.

Mr. NEILL: And he does not seem to have a very clear idea as to the return the government receives for its money. I should like to know why the aid is confined to the maritime provinces. Are there no fishermen anywhere else who are hard up in these days? Is there no need for union among fishermen elsewhere—British Columbia, for instance? Some of these days I am going to take a week off so that I may go down to the maritime provinces and see how they—

Mr. SHORT: Why don't your fishermen unionize?

Mr. NEILL: Perhaps because they cannot get a grant. I shall go down and observe in their native fastnesses these strange, weird people with their quaint customs, and with their original ideas, one of the most marked of which seems to be that if there is a loose nickel in the Canadian treasury it belongs to the maritime provinces.

Mr. MACDOUGALL: That is all rot.

Mr. NEILL: I do protest that. We in British Columbia are struggling for cooperation. Someone has said that cooperation is organized desperation. In British Columbia we had an organization which went into the canning business, which was not government supported and which, owing to bad times, met with disastrous results; they were ruined. Probably if they had had a friendly hand to give $4,500, even if ten per cent were deducted, they might have weathered the storm. But they were regarded simply as being in business and they had either to sink or swim. My hon. friend talks about not being organized. May I say to him that in British Columbia there are several organizations, and we can very easily give the numbers who belong to them too. We will not have to say that we do not know how

many belong to them. If we can get the guarantee that we in British Columbia, too, will get a share in this grant we will call our association the United British Columbia Fishermen, for the sake of euphony. Would an organization in British Columbia just as good as and for which there is as great necessity as the one now referred to, receive a share of this grant if they make application for it?

Mr. DURANLEAU: I will tell the hon. member for Comox-Alberni that this government is as keen to help the fishing industry in the west as it is to help that in the east. If any organization of the same kind had applied for a similar grant I should have been pleased to consider inserting an item in the estimates of my department.

Mr. NEILL: That is very gratifying.

Mr. DURANLEAU: We do not know of any similar organization on the western coast which has applied for any such grant.

Mr. NEILL: I think I can undertake to say we will have six organizations applying.

Mr. DURANLEAU: My hon. friend will have all next year to ask for the grant.

Mr. NEILL: To-day is ours; next year is a long time off. We would like a share of this grant. Apart from the remarks I have just made, there is another angle to the matter, namely that of giving some assistance towards organization. The other day I suggested that the fishing industry of British Columbia should get together under some arrangement such as that which the Americans call Nira. That would solve a great many of the problems from which we are suffering. Of course we know that almost the first necessity would be to have the fishermen properly organized. When industries in the United States come under Nira the first action is to encourage workmen to form unions, because that is the most convenient way in which to deal with them, and the workmen can then take their part in negotiating what the code shall be as regards hours, wages and so on. The same could apply to British Columbia. The first essential would be to have some definite form of organization among the fishermen, and a comparatively small grant of a couple of thousand dollars would go a long way towards helping the establishment of an organization along proper lines. Probably as a result of the price investigating committee we may have some form of organization equivalent to the Nira of the United States. The fishing industry might be glad to take advantage of it, and a vote would be useful in getting the fishermen organized in preparation for such an event.

[Mr. Neill.]

Mr. MacINNIS: I am not clear yet as to what kind of organization this is. Is it an organization of working fishermen such as trade union organization? Is it a cooperative organization, or an organization of employers?

Mr. MACDOUGALL: It is a cooperative organization of fishermen.

Mr. NEILL: Nobody knows.

Mr. SHORT: We all know; we know all about it.

Mr. DURANLEAU: The information the department has is that it is an organization of fishermen operating under a provincial statute for the purpose of bettering the conditions of fishermen, in general. It has proved very beneficial to the fishermen of the eastern provinces.

Mr. MacINNIS: Are they employees of some fishing companies?

Mr. DURANLEAU: It is an association made up of fishermen.

Mr. MacINNIS: I have no objection to fishermen getting a grant from the government, if they can get away with it, but I do think this is a poor way of doing business, namely to give grants to organizations who ask for it. I believe the better way would be for the government to say they are giving assistance to organizations of this kind, and then in turn organizations wherever they may form, either in the maritimes or on the Pacific coast, would make application for and receive a fair share of the grant, in a businesslike way. I object to an organization of this kind going to the government and receiving a grant without such application being made public, while similar organizations in other parts of the country do not receive the same assistance.

Mr. MACDOUGALL: Because they did not apply for it.

Mr. MacINNIS: If the minister is going to give assistance of this kind I can assure him that I will not oppose it, but I am suggesting that he should let it be known on the Pacific coast that such assistance is being given. The people on the Pacific coast are in just as great need of assistance and are just as worthy as those in the maritime provinces.

Mr. MACDOUGALL: Why did they not apply for it?

Mr. MICHAUD: I cannot understand the attitude taken by the two hon. members who have just spoken. Apparently they object to the small grant being made to this organization of fishermen in New Brunswick, the Magdalen Islands and Nova Scotia. For many years these men were in a terrible plight due to the disorganization of the industry and they organized cooperatively with the idea of finding out what had caused the depression in the industry and to try to better their conditions. If the fishermen of the Pacific coast do not share in this grant, the fishermen of the maritimes should not be deprived of it. The two hon. gentlemen who have spoken seem to be surprised that this grant is being given to the fishermen of the maritimes. It is about the only grant that is made to the maritime provinces. The western provinces and British Columbia share in many grants made by this government. We would not object if a similar grant were made to the western fishermen or to the fishermen of British Columbia, but I submit that no part of this grant should be taken away from the maritime fishermen. If the fishermen of the Pacfiic coast will ask for a grant I have no doubt that the government will give it, but we cannot subscribe to any sharing of this one. There have been beneficial results from the cooperative work done by this organization; conditions have been bettered and we hope that this grant will be continued. These men are taxpayers and they need even more government assistance. Instead of the grant being shared by organizations in other provinces it should be left intact for this organization.

Mr. NEILL : The minister has said that this organization extends from the maritime provinces to the Magdalen Islands. I should like to know how far those islands are from the mainland of Nova Scotia.

Mr. DURANLEAU: About one hundred miles.

Mr. NEILL: This must be a very loose organization when it is spread across one hundred miles of water, probably often rough water. One must think in rather wide terms of an association which covers areas so remote from each other. The minister cannot tell me how many belong to it, and it seems to me to be rather a loose kind of association.

Mr. DURANLEAU: It is a well organized association. It has a board of directors and holds a convention every year at which the welfare of the fishermen is discussed. As the hon. member for Restigouche-Madawaska (Mr. Michaud) has said, this association has proved to be very beneficial to the fishermen in the maritimes.

Mr. NEILL: I am not opposing the vote in itself; I was simply asking for information which I do not seem to be able to get.

Mr. MACDOUGALL: Eighty-five per cent of the fishermen in Nova Scotia are in this organization.

Mr. NEILL: In this one organization.

Mr. MACDOUGALL: Yes; it is their own organization.

Mr. MacINNIS: I do not think the hon. member for Comox-Alberni (Mr. Neill) is opposing this vote, and I know I am not. If the government intends to carry out a policy of this kind, it should make an announcement so that organizations in other parts of the dominion can take advantage of these grants just the same as the fishermen in the maritime provinces. For instance, suppose the goat breeders in British Columbia should obtain a grant from the government, would not the hon. member for Restigouche-Madawaska (Mr. Michaud) object if a similar grant was not provided for the goat breeders in New Brunswick?

Mr. MICHAUD: We would be the goat.

Mr. MacINNIS: We are the goat in this case. The best thing the minister could do would be to let us know if other organizations of a similar kind will receive consideration provided they are doing work along the lines of that done by this organization.

Mr. DURANLEAU: I stated in answer to the hon. member for Comox-Alberni that if a similar organization on the western coast will apply for a grant and it is found that it is doing something for the welfare of the fishermen, the government will give the matter consideration. The government is just as keen to help the fishermen in the west as it is to help those in the east. Up to the present no request has been made for a such grant to any western organization.

Mr. MacINNIS: I am sure that there are fishermen's organizations on the coast which are doing just as good work, but they did not know of these grants. They were not as close to the government as the maritime fishermen and consequently they have had to carry on without any assistance.

Mr. SPENCER: I appreciate that the fishermen are going through very difficult

times, but I should like to know upon what basis these grants are made. Are they made upon the basis of membership, of locality, or of work done?

Mr. DURANLEAU: It is the importance and needs of the association.

Item agreed to.

Building fishways and clearing rivers, $6,000.

Mr. MICHAUD: Could the minister tell us in what rivers this vote was expended last year?

Mr. DURANLEAU: I gave the information yesterday afternoon, and my hon. friend will find it in Hansard.

Mr. REID: When applications are made for the clearing of streams on which salmon are moving does the application come to Ottawa or is it decided upon by the district supervisor? I made two applications last year in connection with streams in my own district and I was informed by the district engineer that there were no funds available. I should like to know definitely whether the applications have to come to Ottawa or whether the district supervisor has the right to decide.

Mr. DURANLEAU: Every application is supposed to come to Ottawa from the inspector.

Mr. REID: I made two applications in connection with two streams in my district; one was the Salmon river and the other the Serpentine. Perhaps the minister will let me have the information privately.

Mr. DURANLEAU: I will find out and let the hon. member know.

Mr. DUFF: I asked yesterday for certain information with regard to applications received by the department for the clearing of fishways. Is the minister now in a position to say how many applications were received last year and not acted upon?

Mr. DURANLEAU: Not acted upon?

Mr. DUFF: Yes, received and not acted upon.

Mr. DURANLEAU: Last year the department received sixteen applications with regard to obstructions in the maritime provinces, and every one was investigated. I have the report here. It is very long but I could supply the hon. gentleman with a copy of it.

Mr. DUFF: I understood from the minister yesterday that although $18,000 was voted last year only $1,300 was spent, and I inquired how many applications had been received and how many had not been acted upon. If there was $18,000 voted why was not the money spent when there were a number of applications from people interested in having fishways and rivers cleared?

Mr. DURANLEAU: The department acted upon every request for the removal of obstructions, but in some instances the report of the officials after investigating the conditions in the river or the creek was that the work was not necessary.

Mr. VENIOT: Therefore the application was refused.

Mr. DURANLEAU: Well, that was the report of the officials. Of course, we had to be guided by the report. Let me read the first one by way of illustration. At McLennan's Brook, River Dennis, Inverness county: (a) obstruction reported by guardian; (b) investigated by inspector, who reported that there was a sufficient channel for the passage of fish and that unless a greater accumulation gathered no work would be necessary.

Mr. MACDOUGALL: Who was the inspector in that instance, was it Smith?

Mr. DURANLEAU: I suppose it would be Mr. Smith's district. Take McInnis Brook No. 2, lake Ainslie, Inverness county: (a) obstruction of sand bar; (b) reported by supervisor of fisheries work involved opening a channel; (c) channel opened by day labour at a cost of $8.

Mr. NEILL: Out of this vote of $18,000, the minister told us yesterday that only $1,300 was spent. In view of that, I do not think it was correct to tell me in October last that there was practically no money to do anything with. I applied to have some work done and was told that there was very little money available this year to clear obstructions, and even to have an engineer sent to inspect the stream it was first necessary to get permission from Ottawa. There are two first class engineers in the department. I do not know what they do, but they are good men, and they cannot have much to do if the total amount spent was $1,300. We had $18,000 voted and in October I was informed that very little money was available, and even an engineer could not be sent to inspect the obstruction until he had got permission from Ottawa. Isn't that penny wise and pound foolish? At any rate I protest at being told that there is no money when there is $18,000.

Mr. DURANLEAU: We had to cut down that item by $12,000 in view of the reduction promised by the Minister of Finance in his budget speech of last year, when he intimated that the estimates would be cut by $14,000,000.

Mr. NEILL: By 10 per cent.

Mr. DURANLEAU: No, by $14,000,000. We had to cut this item $12,000 to comply with that promise.

Mr. NEILL: Still, there is a big difference between $6,000 and $1,300.

Item agreed to.

Salaries and disbursements of fishery officers and guardians, fisheries patrol and fisheries protection services, $892,000.

Mr. REID: I wish to make a few remarks with respect to a matter I discussed in the house on Tuesday, February 20. I believe it is so important, not only from the point of view of the fishermen but from the standpoint of the conservation of fish, that I am justified in taking up some of the time of the committee to deal with the remarks made by the minister as well as by the Minister of Trade and Commerce (Mr. Stevens) who replied on that occasion. Of course, under the rules of the house I was prohibited at that time from making any statement in reply, but under this item I wish to take the opportunity to reply to some of the statements made then, because I am firmly of the opinion that many of those statements should not pass without criticism. It is true I did not give the minister any warning that I would bring the matter up before the house went into committee of supply, but I noticed that he was well enough prepared for such a move being made because he had on his desk a report from the deputy minister and was able to produce it and therefore give some sort of answer.

As I have said, previously the whole matter affects over two thousand fishermen on the river, and the dispute between the minister and myself on behalf of the fishermen relates to seines in the area at the mouth of the Fraser river. In that connection I am sorry that the map I have before me cannot appear in Hansard for the information of the committee, because hon. members would then see at a glance just what I was endeavouring to show the house, namely, that the area allotted to seines last year practically constituted a trap in the mouth of the Fraser river. The minister read from the report handed to him by his deputy that pink and sockeye salmon deteriorate quickly in fresh water. We are agreed that probably they may deteriorate in fresh water, but the area allotted to the seines is not fresh but brackish water, and we should have that point cleared up. The report from the deputy minister states that the Fraser river follows a well defined channel right across the gulf of Georgia. If his statement is correct, and I say it is, it surely bears out the contention that I have been endeavouring to make, namely that the area allotted to the seine boats last year was right in the brackish water, that is the water of the Fraser river where it mixes with the sea water. He speaks in that report of the comparatively small area north of the boundary line; I shall not go into that because there may be something in his contention that the area just north of the boundary line may be well adapted to seines. But from the map which I hold in my hand—and I am sorry I cannot cross the floor to show it to the minister—I could quickly demonstrate to him that the new line allotted last year went right to the mouth of the Fraser river and with the seines operating there practically constituted a trap. It was not in deep water; it was in water half salt and half fresh. It was in the mouth of the Fraser river and as the deputy minister states in his report, the Fraser follows a well defined course clear across the gulf of Georgia. This line is not across the gulf of Georgia, because the gulf is miles further away.

He said also in that report that there was no demand for Fraser pinks since the canning inspection took place. I have to differ with him there. There was no difficulty experienced last year even with the seines operating, because the fishermen who did catch a few pink salmon had no difficulty except at one period when there was such a glut from the seines that the canneries could not handle the quantity of fish landed there in one day, and one fisherman who was offered one and a half cents apiece for his salmon, took them across the line and received four and a half and five cents for the same fish from the canneries on the other side.

Just at this point might I also criticize the inspectors because they bring in a report to the minister which he read into Hansard. It should be seriously noted that the three inspectors are also brokers. I think it is contrary to all business practice that men who are in the brokerage business and themselves buying fish should be inspectors appointed by the government. I do not think any other business would tolerate such a situation. I am not casting any blame upon the inspectors so far as their integrity is concerned, but it is

not a good principle to allow brokers who are in the business of buying to be also the inspectors who go out and inspect the fish they buy and have a right to condemn or to pass as they see fit. Human nature being what it is, this is a wrong principle. If that is going to be done, there should be at least two outside inspectors as well as the three permanent men who are brokers.

In the report made by the deputy I take strong exception to another statement where he says that the gill netters were not hurt by the seiners. I quoted the figures, and I am going to quote them again because I got them authentically from the fishermen themselves. They show that before the seines were allowed to operate the fishermen were getting anything from three hundred to five hundred fish a day, and last fall, after the seines started in the mouth of the gulf, their catches dropped, some getting only five, some ten a day, but not any more than fifty a day were picked up by any of the fishermen in the Fraser river. To substantiate my case further, I have in my hand a report from one of the cannery men who control to a considerable extent gill net fishermen and who have several boats operating from the canneries. The report I received from that cannery is that last year when the seines operated, they were picking up only two hundred to three hundred fish in an area as against seventeen hundred the year previously. The statement made by the deputy minister that the operation of seine boats in the mouth of the Fraser river has not hurt the fishermen, I say is not correct; it is not a statement of fact, because I am quoting the figures as given to me after a careful scrutiny and study of the situation right on the ground last fall.

I should like to ask the minister a question and to have him take serious note of it. Has he any figures showing the number of fish caught after September 14? Whether fish are caught out in the gulf or in the mouth of the Fraser river or up the Fraser, it is well known to us who have made a study of the matter that the fish begin to deteriorate after a certain date, and many of the cannary men refuse to can fish caught after September 17. Even on September 14 it was noticed that the fish had begun to deteriorate a little. I wonder whether the minister has any record regarding fish canned or caught after September 14.

As regards the quantity of fish that was condemned, I do not think it is so alarming, and I am going to dispute the minister's statement that last season, out of 524,000 cases of pink salmon packed in British Columbia, 13,000 cases were classified by the inspection board as second quality. I wonder whether the inspection board really inspected 524,000 cases last year. Did those three inspectors go through all those 524,000 cases of salmon for inspection? But even if that were possible and they did so, the number rated as second quality is only about two per cent of the total and there was a leading letter sent out to the canneries asking them if those fish were caught by gill nets or seines. One cannery man stated to me—and I shall not give his name because it might affect him with the other cannery men—that in his opinion this letter from the department was certainly intended as a leading statement to find out if possible whether they could attribute the poorer quality of the fish to the fact that they had been caught by the gill netters after they had entered the Fraser river.

Regarding the board of inspection, their report says:

> The opening of waters off the Fraser to seining would appear to have led to a much improved quality in respect to a large portion of the pack at Fraser river canneries and canneries in the Vancouver area packing so called Fraser river pinks. The individual experience of each member of the board over a long period of years has been that the great bulk of the Fraser pink pack has been of such a character that under the inspection now in force it would have to be classed as second quality for lack of firmness.

I pointed out just a few minutes ago that it all depends on the time or the period the fish are taken out of the water. After September 16 last year I believe they did begin to deteriorate. The matter is not just one of the area in which the fish are picked up. Very often it depends to a large extent not on the area but on the time they are picked up. The minister has accused me of seeing only one side of the picture. That may be quite true; I see one side standing out all the time. In fact I see two; I see the cannery men who control and own the seine boats making an attempt in British Columbia to drive the gill net fishermen away, because if that could be brought about, the canners then would be virtually in a position to control the whole industry. They would own the seine boats going out; the ships and the payment of the crews would be in their hands and they would not have to take any notice of the gill net fishermen. I can see on the other side over two thousand individual fishermen being driven off the area of the Fraser river and so deprived of their living. I appeal to the minister, because it is a serious matter not only to the fishermen but the point of view of conservation of the fish. It is true that

under the regulations opportunity is supposed to be given for the fish to go up the river during the week ends. But if the intent of the department is to conserve the fish why allow these seines like birds of prey to devastate schools of salmon? In some instances they are picking up eight to ten thousand fish at one time. If the purpose of the minister or his officials is to deplete the waters of the Fraser river, certainly they went the right way about it by allowing over sixty seine boats to operate in the mouth of that river last year.

Looking over the annual report of the department I notice that the pack of sockeye salmon, if not of all salmon, has been going down. I wonder if the minister has noted that, and if he can tell the reason why, in spite of the operations of the hatcheries and the fact that thousands of dollars are being spent in the effort to maintain the supply of fish artificially, the catch of sockeye salmon has been decreasing since 1925. This year, with the regulations put into force by order in council, if the seine boats are allowed to operate they will also pick up the late fall run of sockeye salmon. Yet we are told that fish must be conserved, and fishing must cease over the week end to allow a certain number of fish to escape. But there will be no escape if these seines are allowed to operate; with large nets picking up eight or ten thousand fish at a time we will very soon have no fish at all coming into the Fraser river.

Then the minister might tell the committee why the twenty-four hour rule was changed this year. When the hon. member for Comox-Alberni (Mr. Neill) and myself protested last year against this order in council, the acting Minister of Fisheries and the Minister of Trade and Commerce told us at considerable length why it was necessary to put that twenty-four hour regulation into effect. But this year without a word they have cut it out. It will be interesting to hear why it has been cut out. It shows that we were right and that the whole matter should have been put before the marine and fisheries committee. I do not know how many changes have been made in the Fisheries Act since it was passed by this house; there must be dozens—

Mr. DUFF: More than that.

Mr. REID: Yet we have the marine and fisheries committee with nothing to do, while everything goes through by order in council, although the lives of hundreds or thousands of fishermen are affected. All these things should have been referred to that committee. I would like to know why they were not, why the committee should not have a chance to deliberate on them. I would remind the minister that this is the only place where the fishermen have an opportunity to air their grievances. They cannot afford, like the canners, to send men to Ottawa to lobby on their behalf; they have to depend on the members of parliament to state their difficulties in the House of Commons. If these matters had been referred to the committee where we could have gone into them and called the officials of the department and asked them the why and wherefore of things and taken the time to see that all interests were being protected, it would have been far better for the industry as a whole.

The Minister of Trade and Commerce spoke of the sockeye salmon treaty. I wonder if the minister has any information as to the possibility of that treaty passing in the United States. I was rather surprised that the minister mentioned that, because if my information is correct it is a pity it was not passed when it was first introduced in this house; the opposition which resulted in its delay for a year was, I believe, the cause of the United States not accepting it. In 1929 Mr. Tolmie, then premier of British Columbia, and his cabinet, agreed that the sockeye salmon treaty was one of the best things put forward on behalf of the fishing industry, but it was delayed here for a year. I am not sure whether the Minister of Trade and Commerce objected, but I know many hon. members on that side did, and the fact of the treaty not being passed in the United States was due to the opposition it met with here in 1929 and 1930.

I would also draw the minister's attention to some of the figures that have been quoted by the deputy minister in his report. They do not exactly correspond with the figures in the annual report. I find that for 1929-30 the report speaks of 158,290 cases, but in the inspector's report to the minister the figure is 161.529. In 1931 the inspector's report states that there were 20,000 but the annual report says 21,534. When they are giving figures to the minister they should see that they correspond with the official figures given by the department. I have spent some time looking them up and have endeavoured to quote them as correctly as I can from the information at hand.

I am earnestly appealing to the minister not to allow seines to operate in the mouth of the Fraser river. I appeal to him again to let the matter go before the marine and fisheries com-

mittee so that it can be dealt with there and maps and data produced, with the fishermen present. Surely that is not asking too much, especially when, as I have stated, it affects the living of over two thousand fishermen. If the greatest good for the greatest number is the object, then the policy of keeping seines out of the mouth of the Fraser river should be followed. Permit them, if you like, in the small area next to the international boundary, but do not allow them in the waters of the Fraser river or anyway near the entrance to that river. I would like to have the minister answer some of the statements I have made.

Mr. DURANLEAU: With respect to the question of purse seining and gill net fishing, I cannot add anything to what I said to the house some time ago when I put on the record the statement of the officials of the department. As minister I have to rely of course on the reports of our officials. The contention of my hon. friend may be right or it may be wrong, but we have to rely on the reports of our officials. According to the information received from those in the industry in general in the west, they are competent men and their reports as a rule are accurate.

As to the twenty-four hour regulation, my hon. friend says he opposed that regulation last year and wants to know why it was repealed this year. The aim of the department was to prevent fish in bad condition being canned, and as some men were carrying fish a long way before it reached the canneries we tried the regulation with that object in view. It worked pretty well up until last August. I told the house last year that it was only a trial we were making. From August to the end of the fishing season we did not have officials in sufficient number to ensure the proper enforcement of this regulation, and that is the reason it was repealed. Furthermore, it was not necessary at the end of the season.

As to the inspectors my hon. friend was complaining about, he says it is a wrong principle that brokers should be appointed inspectors. I desire to say that these inspectors were recommended by the canners who were interested. We never had any complaints about their work.

In addition my hon. friend very strongly urges that these questions of regulation and so on should be referred to the fisheries committee. I have no objection to that principle, and I can tell my hon. friend that when important questions are raised in this house I am prepared to recommend that such questions be referred to the committee.

[Mr. Reid.]

Mr. REID: What is more important than the question we are now discussing? A commission was appointed in 1922, composed of members of this house some of whom are still here; they went to British Columbia and investigated conditions, and in their report they recommended that if at all possible seines should be done away with entirely. There is no question more important than the one we are discussing at the moment, so why will the minister not refer the matter to the committee?

Mr. DURANLEAU: I shall be pleased to discuss the matter with my colleagues and I will inform my hon. friend whether or not it is thought advisable to refer this question to the committee.

Mr. DUFF: There is a reduction of $130,000 in this item. If the minister and the government are trying to do something for the fisheries I should like to know how they can afford to reduce this item by that large amount.

Mr. DURANLEAU: My hon. friend will remember that in his budget speech last year the Minister of Finance promised that a further cut of $14,000,000 would be made in the appropriations. In carrying out that promise this reduction has been made. Last year we carried on with satisfaction, and this year we hope to be able to do the same.

Mr. DUFF: I must object when the minister tries to say that this reduction is made because the Minister of Finance asked him to be economical in his department. The Minister of Finance has troubles enough of his own without having the acting Minister of Fisheries try to blame him for a reduction in this vote which has to do with what I consider to be a natural industry in this country that has the best opportunity for development.

The minister also stated that in spite of this reduction the department had been carrying on satisfactorily. I cannot agree with him in that; in fact if I were not a member of parliament I would put in a bill to the Department of Fisheries for work I performed myself. The minister cannot say that the work of his department in the matter of inspecting fish, for instance, and looking after the fisheries, has been done properly. I am a living example of proof to the contrary, because I had to do the work myself. The minister must know that because of the reduction in this item there were not enough inspectors during 1933 to examine and in-

spect properly the fish which the fishermen had to market. Before I proceed I should like to know whether or not the minister is aware of that fact.

Mr. DURANLEAU: There is no doubt that at times we had some difficulty in having the inspections carried out at the proper times, and our inspectors had to work very hard, but we did our best with the money available.

Mr. DUFF: I do not say that the department did not do its best, but the fact remains that the inspection was not carried out properly. I have personal knowledge of the fact that thousands of barrels of pickled fish lay in the fishermen's sheds and on the wharves of the purchasers for days and weeks before the inspectors could get around to inspect them. Let me tell the minister why that was so. A few years ago we had what were known as overseers as well as inspectors. The department wanted to be smart and to show parliament and the country that they were trying to do something, so they amalgamated those branches and made the overseers inspectors. Nine out of ten of those overseers of fisheries did not know a kyack from an alewife, and I doubt whether the minister knows the difference. However, they amalgamated those two branches and deliberately made inspectors of those overseers, who were good men as overseers and who had been in the department for many years. They dismissed the men who had been inspecting fish for years, and the result has been that these overseers did not have the qualifications properly to inspect pickled fish, mackerel and herring. The inspection last year was an absolute farce, and the exporters of fish had to suffer for it. Although the stamp of the department was on the barrels, when the fish reached the West Indies and were opened it was found that they were not up to the standard which was stated on the labels. It was not the department, the minister or the deputy who suffered; it was the man who bought the fish and shipped them to the foreign market, and I want to say to the minister that this policy was wrong. There should be special men to inspect fish, entirely apart from the overseers. The minister should go back to the old policy of having overseers do certain work in connection with the fisheries and properly appointed inspectors in the different districts to look after the inspection of fish.

Let me give an instance. In the county in which I live, a county which last year must have produced twenty thousand barrels of pickled fish, there were only two inspectors. In the middle of the season, when there were ten or fifteen thousand barrels of fish to inspect, one of those inspectors resigned, and what did the department do? They appointed a hotelkeeper, not as an inspector but in order to get around the law. The department would not ask the civil service commission to call for applications for a properly qualified inspector, but the minister appointed a fishery guardian to take the place of the fish inspector. This particular fishery guardian, a personal friend of mine and a hotelkeeper, was appointed in place of a man who should have been the fish inspector. Of course a Tory government was in power, and they have a right to appoint their own friends; I am not complaining about that. I do want to say to the minister, however, that in the middle of the fishing season, when there were fish to be inspected, they allowed the retirement of the regular inspector and instead of calling for applications or appointing a temporary inspector who would know a codfish from a haddock, the minister appointed as fishery guardian a man who had practically never seen a codfish, except on his hotel dining room table. Why was that done?

Mr. DURANLEAU: Does the hon. member refer to Evans?

Mr. DUFF: I am referring to the retirement of Mr. Evans.

Mr. DURANLEAU: I am informed he was not an inspector who inspected pickled fish; he was not qualified to do that, and never did qualify.

Mr. DUFF: Surely that is not an answer to my complaint. Mr. Evans was an official of the department for twenty-five years. During that time he certainly inspected fish.

Mr. DURANLEAU: Not according to my information; he was an inspector, grade 1, and was not required to inspect fish.

Mr. DUFF: Grade 1 is certainly the highest grade in inspectorship.

Mr. DURANLEAU: It is the lowest.

Mr. DUFF: Mr. Evans certainly inspected fish, because I have seen him doing it with my own eyes and to my own knowledge. I have been there at the time. Anyone who says Mr. Evans did not inspect fish does not know what he is talking about. But even if he did not inspect fish why did the min-

ister, upon Mr. Evans' retirement, camouflage the situation and instead of appointing a fishery inspector appoint a guardian in order to give one of his friends a job?

Mr. DURANLEAU: That was only a temporary appointment; we want a grade 2 inspector, and the civil service commission is at the present time filling the position.

Mr. DUFF: I am very glad that at last my protest has received some notice from the minister. If I remember correctly it was last July I wrote the minister about it, after receiving protests against the appointment by fishermen at Blandford and Mill Cove. I wrote the minister, and received a number of letters from him in which he tried to excuse the department and excuse himself for appointing this hotelkeeper not as a fishery inspector but as a guardian. That was a time when the fishery inspector was needed. Why does the minister only now come along and say that he is going to have this position filled, when it should have been filled last year? I am glad to hear the position is to be filled, but surely there was no reason why this man should have been paid $1,000 per year to act as fishery guardian when men could be got to do the work for $75 a year.

Item agreed to.

DEPARTMENT OF PENSIONS

Mrs. William McDougall, $1,200.

Mr. SPENCER: What was the position of William McDougall?

Mr. GUTHRIE: He was one of the fathers of confederation. This is the only surviving widow of that interesting group.

Item agreed to.

DEPARTMENT OF PUBLIC WORKS

Dredging—Maritime provinces, $161,200; Ontario and Quebec, $215,500; Manitoba, Saskatchewan and Alberta, $50,000; British Columbia, $140,000—Total, $566,700.

Mr. CASGRAIN: Could the minister give some details of the $215,500 for Ontario and Quebec?

Hon. H. A. STEWART (Minister of Public Works): Mr. Chairman, this information was asked for when the committee rose on a previous occasion. I promised to procure it, and now I have it before me. As it is a two page statement I could either hand it to my hon. friend or to Hansard. The figure of $116,539.45 shows the total expenditure up to February 28, of this year.

Dredging Quebec—Expenditure 1933-34 (up to February 28, 1934)

Plant Operating—	Cu. yds. removed	Cost locality	Total cost
Dredge No. 116			
Place—			
Rimouski, P.Q.	71,820	$22,210 23	
Matane, P.Q.	80,820	22,131 00	
		44,341 23	
Dredge No. 127			
Anse à Beaufils, P.Q.	2,448	1,455 87	
Dredge Harricana No. 2			
Amos, P.Q.	703	334 42	
Lake de Montigny, P.Q.	8,937	4,646 72	
Hava River, P.Q.	7,033	4,013 08	
Lake Blouin, P.Q.	11,563	5,570 79	
		14,565 01	$ 60,362 11
Plant laid up—			
Dredge No. 4—Laid up Bathurst, N.B.		2,685 96	
Dredge No. 110—Laid up Quebec, P.Q.		4,335 06	
Dredge No. 121—Laid up Sorel, P.Q.		6,070 47	
Dredge No. 123—Laid up Lachine, P.Q.		7,009 09	
Dredge No. 126—Laid up Barachois, Allright island, M.I., P.Q.		700 10	
Dredge No. 128—Laid up Gascons Ouest, P.Q.		43 40	
Dredge No. 129—Laid up Portage du Cap, Amherst island, M.I., P.Q.		270 44	
Generally		67 45	
			21,179 97

Dredging Quebec—Expenditure 1933-34 (up to February 28, 1934)—*Concluded*

Contract and Day Labour Works—	Cost locality	Total cost
Baie des Sables—removing boulders	$ 538 71	
Barachois de Malbaie—re-blocking scows	64 35	
Bell River—dredging	950 00	
Desjardins—removal logs at wharf	63 05	
Grande Rivière—hand dredging	502 54	
Lake Tiblemont—removing boulders	49 40	
Little Discharge—removing rocks	928 27	
Matane—survey	563 26	
Nicolet river—dredging	4,286 04	
Rimouski—survey	271 69	
River St. Francois—dredging	3,512 66	
Riviere a la Marte—remove sand at entrance	100 47	
Riviere du Chene—dredging contract	13,365 00	
Riviere du Chene—inspection	3,653 96	
Riviere du Chene—release of drawback	542 91	
Riviere du Loup (En bas)—dredging at Viel's wharf	385 79	
Riviere du Loup (En haut)—dredging channel to Louiseville wharf	3,277 94	
Riviere Noire—removal boulders	179 43	
Ruisseau a la Loutre—removal obstruction	98 62	
Ste. Anne de Bellevue—removal of boulders	182 18	
St. Etienne de Malbaie—levelling berths	422 94	
Ste. Luce—hand dredging	800 00	
Tadoussac—Imbeau slip dredging	258 16	
		$ 34,997 37
Total expenditure up to February 28, 1934		$116,539 45

Mr. CASGRAIN: Has the minister before him the details of the dredging to be done in the province of Quebec during the coming summer?

Mr. STEWART (Leeds): I have that information in the form of a detailed statement and I suggest that I adopt the same course as I did with the other.

Mr. CASGRAIN: I have no objection.

Mr. STEWART (Leeds): The following are the places in Ontario and Quebec where work is to be carried on:

Ontario

Abram chutes, Bayfield, Bamford island, Jersey river, Little Current, Picton (Culliver and Huff's wharf), Penetang, Point Edward, Point Edward (Canadian National wharf), Port Elgin, Prescott (government elevator), Sydenham river, Thames river, Wolfe island, Waubaushene, Port Stanley, Port Burwell, Kingsville, Sarnia (Dominion Salt Company's channel), Sarnia (elevator slip).

Quebec

Beauharnois, Boudrias creek, Lac Nominingue (Grand), Lake Temiskaming (College island), Lanoraie (Colonie des Greves), Mattagami (Bourque's rapids), Port au Saumon, River du Prince, River du Chêne, St. Eloi (Pointe a la Loup), Harricana River (lake Blouin), Harricana River (lake De Montigny), Riviere du Loup, Quebec (Napoleon wharf), St. Irenée, St. Jean, I.O., Matane.

The hon. member for South Perth (Mr. Sanderson) inquired as to what proportion of the amount of $215,500 devoted to Ontario and Quebec was to be spent in Ontario, and where the work was contemplated. The latest calculation is that about $93,000 will be spent in Ontario and about $105,000 in Quebec, the balance being still unalloted.

Mr. MICHAUD: Could the minister tell me what amount has been set aside for dredging in Campbellton and Dalhousie?

Mr. STEWART (Leeds): These allotments have not yet been made and it may be possible that there will be an item in the supplementary estimates.

Mr. MICHAUD: Has not the amount for Campbellton been decided?

Mr. STEWART (Leeds): Not finally.

Mr. MICHAUD: Is any amount being considered?

Mr. STEWART (Leeds): The engineers are considering the matter.

Mr. MICHAUD: What amount is being considered?

Mr. STEWART (Leeds): I cannot tell my hon. friend. This matter may be provided for in the supplementary estimates.

Mr. MICHAUD: A newspaper report of the proceedings of the Campbellton board of trade would seem to indicate that definite in-

formation has been received from the minister. This report reads:

A letter from Hon. H. A. Stewart, Minister of Public Works, Ottawa, indicated that an appropriation of $32,000 was being considered for dredging on both sides of the deep water wharf pier, this work to provide a depth of 24 feet at low tide in the several berths on the north side of the wharf and to make the inside berths also usuable by ocean going boats.

It is very important that this work should be done early this year. As I have mentioned already, three ocean going steamers were grounded in this harbour and their cargoes had to be jettisoned with almost a complete loss to the shippers. I ask the minister to adhere to this amount of $32,000 which he seems to have in mind, or, if possible, increase it so that the channel at the mouth of the Restigouche may be made safe for ocean going steamers. This port should be in such a condition that large shippers of lumber could feel free to invite foreign ships to come in and load. Otherwise, these people will suffer great loss.

I submit that some work should be done at Dalhousie. There is a large and well organized industry at this port, which is the second winter port in the maritimes. Last year it was open for sea going ships until the last day of December. A small expenditure on this port would make it more easily available to ocean going traffic. Incidentally it will help the Canadian National Railways if these ports are able to take care of large ships. We would be able to get much of the traffic which now goes to northern Maine and which is usually taken up by rail. Greater facilities should be provided in order that our railways can secure this heavy traffic of fertilizer, automobiles and potatoes which can be handled with only a one hundred mile rail haul.

Item agreed to.

Miscellaneous—

Architectural branch—salaries of architects, clerks of works, inspectors, draftsmen, clerks and messengers of outside service, $63,700.

Engineering branch—salaries of engineers, clerks, etc. of outside service, $366,000.

For operation and maintenance of inspection boats, $10,000.

Maintenance and operation of water storage dams on Ottawa river and tributaries, $23,100.

National Gallery of Canada, $25,000.

National monument on Connaught Place, $100,00.

Surveys and inspections, $55,000.

Balance of expenditure for works already authorized provided amount for any one does not exceed $200, $4,500.

Miscellaneous works not otherwise provided for, not more than $3,000 to be expended upon any one work, $50,000—Total, $697,300.

[Mr. Michaud.]

Mr. CASGRAIN: Could the minister tell us if the national gallery has been enriched this year and what new pictures were purchased, the amounts paid and from whom they were purchased?

Item stands.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, March 14, 1934

The house met at three o'clock.

CRIMINAL CODE AMENDMENT

RACE MEETINGS OF FOURTEEN CONSECUTIVE DAYS INSTEAD OF TWO SEVEN DAY PERIODS

Hon. RAYMOND D. MORAND (East Essex) moved for leave to introduce Bill No. 35 to amend the Criminal Code (Race Meetings).

Some hon. MEMBERS: Explain.

Mr. MORAND: The intention of this amendment is simply to permit the present racing time of fourteen days, under the act as it stands, to be on consecutive days on which racing is permitted, instead of having twenty days intervene between the two seven-day meetings. There is no enlargement in the number of days nor in the number of meetings; as I say, it is simply to have permission for races to be held on fourteen days consecutively on such days as racing is permitted.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

IBERVILLE, QUE., POST OFFICE

Mr. RHEAUME:

1. What is the name of the postmaster at Iberville, Quebec?
2. What is his age?
3. Is he in receipt of a salary or is he paid out of the revenue?
4. In either case, how much salary has he received per month since his appointment?
5. What were the revenues of this office for each year since 1928?
6. Is the appointment at this post office under the jurisdiction of the Civil Service Commission?
7. If so, did the incumbent pass the examinations ordered by the Civil Service Commission?

8. Did the Civil Service Commission make a recommendation as to the appointment to this position?
9. What person did it recommend?
10. If this position does not come under the jurisdiction of the Civil Service Commission, on whose recommendation was the present incumbent appointed?
11. Is this appointment: (a) permanent, or (b) temporary?
12. When was the present incumbent appointed?
13. How long will the present incumbent remain in office?
14. Is this appointment in conformity with the recommendations of the Civil Service Commission?
15. If not, why were such recommendations not followed?

Mr. DUPRE:

1. Pierre Ernest Thuot is in temporary charge.
2. Sixty years.
3. Paid out of revenue according to regular scale.
4. From date of appointment, December 5, 1932, to June 30, 1933, $153.30 a month. Since July 1, 1933, $132.97 a month.
5. Fiscal years 1927-28, $3,992.84; 1928-29, $4,091.08; 1929-30, $4,674.08; 1930-31, $4,591.09; 1931-32, $5,028.19; 1932-33, $4,220.94.
6. Permanent appointment rests with Commission.
7. Yes. In connection with permanent appointment.
8. Yes.
9. Wilfrid Denicourt, O.A.S.
10. See answer to question 6.
11. P. E. Thuot is acting as temporary Postmaster only.
12. December 5, 1932.
13. Pending decision as to the respective qualifications of two applicants who are both returned soldiers.
14-15. Temporary transfer was effected before consideration was given to the permanent appointment by the Commission.

COLONEL G. C. MCLEAN

Mr. BEAUBIEN:

1. Is Colonel G. C. McLean of Norwood, Manitoba, in the employ of the federal government?
2. If so, what is his title?
3. What is his salary?
4. What are his duties?

Mr. GORDON:

1. Yes.
2. Dominion Director of Unemployment Relief for Manitoba.
3. $2,700 per annum, less the statutory deduction of 10 per cent.
4. To act for the federal Department of Labour in all matters pertaining to unemployment relief.

CANADIAN RADIO BROADCASTING COMMISSION

Mr. LAVERGNE:

1. Has the Radio Commission cancelled the licence of station VE9EK of Montmagny?
2. If so, when and for what reasons?
3. Were there any protests against this action by the commission, and, if so, when and to whom?
4. Is the government aware of the fact that this station is the only means of communication with the main land by the inhabitants of l'Ile aux Grues and other islands situated on the estuary of the St. Lawrence?

Mr. DURANLEAU:

1 and 2. On the recommendation of the Canadian Radio Broadcasting Commission, whose function it is to determine the number of broadcasting stations in Canada, the Minister of Marine did not renew the licence under which station VE9EK was broadcasting when it expired on the 31st March, 1933.

3. Yes, by a petition dated Montmagny, 19th February, 1934, addressed to the Minister of Marine.

4. Radio communication between the mainland and the Department of Public Works wire telephone system on Ile aux Grues and the adjacent islands is maintained by a radio telephone station at Montmagny which communicates with a similar station on Ile aux Grues. These two stations were established by the Department of Public Works in 1932, and are operated under their jurisdiction.

CONVENTION WITH POLAND

Mr. LAVERGNE:

1. Has the Canadian government had any communication with the government of Poland, or offers from the government of Poland, in connection with a commercial treaty between Poland and Canada?
2. If so, on what date?
3. What are these communications, or what offers were made by Poland?
4. Will the government inform the house just how this matter stands?

Mr. BENNETT:

1. Since the establishment of the republic of Poland at the close of the great war, a number of communications have passed between the Polish and the Canadian governments respecting the question of negotiating a convention of commerce between the two countries. Hitherto it has not been found practical to conclude such a convention. Conversations are at present being carried on between the Polish Consul General in Ottawa and officials of the departments concerned with a view to examining the bases for the conclusion of a convention of commerce between Canada and Poland. No conclusions, however, have yet been reached.

POST OFFICE BUILDINGS

Mr. YOUNG:

1. What is the total investment of the federal government in post office buildings throughout the dominion?
2. What rent, if any, does the Post Office Department pay for the use of these buildings?
3. What rent is paid by departments, other than the post office, for post office buildings not publicly owned?
4. What amount is paid by the Department of Public Works for fuel, light, water, janitor service, and other expenses (not including rent) on public buildings used for post office purposes?
5. What revenue is lost to the Post Office Department through the carrying of government or franked mail, free?

Mr. STEWART (Leeds): The hon. member for Weyburn (Mr. Young) approves of this question being dropped from the order paper.

Question dropped.

GOVERNMENT TRANSLATORS

Mr. ARSENAULT:

1. What are the names of the translators employed at the present time by the federal government?
2. What is the salary of each one of them and the place of residence of each one when the house is not in session?
3. What is the date of appointment of each one?

Mr. CAHAN: I think the hon. member will find an almost complete answer to this question in the return which was brought down on February 21 last and tabled on the 2nd day of March as sessional paper 137 A. With respect to the place of residence of each one of these translators when the house is not in session, I understand that the place of residence of departmental translators is Ottawa or vicinity. I have been unable to obtain any knowledge as to the place of residence of those who are employed by the House of Commons and by the Senate.

Mr. SPEAKER: Answered.

MOTIONS FOR PAPERS

POST OFFICES

Mr. FRASER (Cariboo):

1. The number of post offices in each of the following provinces with a revenue of less than $100 per annum: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, and Prince Edward Island.
2. The total annual cost of these offices in each province, for (a) salaries and allowances; (b) services.
3. The total annual revenue in each province derived from said offices?

[Mr. Bennett.]

WITCHEKAN AND CHITEK INDIAN RESERVES

Mr. McINTOSH:

For a copy of all correspondence, letters, telegrams and other documents, exchanged between the Minister of the Interior (Department of Indian Affairs) and any person living in the Spiritwood district or elsewhere during the years 1933 and 1934 till the present time, in connection with the medical attendance given to the Witchekan and Chitek Indian Reserves located in the North Battleford electoral district.

Mr. MURPHY: I am not clear, from a reading of this motion, as to exactly what information the hon. member desires, but I may say that if it refers to correspondence, letters, telegrams and other documents exchanged between the Minister of the Interior or the Superintendent General of Indian Affairs and others, there is no correspondence. In view of that, I think that the motion might be dropped, and if the hon. member will couch it in some other terms, if there is other information he desires, it might be brought forward again.

Mr. McINTOSH: All I wanted was the information asked for in this resolution, and if the minister says that the superintendent general has none, and there is no other correspondence in the department, that is satisfactory.

Mr. MURPHY: Speaking to the motion, I stated that there was no correspondence with the Minister of the Interior or the Superintendent General of Indian Affairs; I did not speak for the department. If the hon. member will look at the motion he will see that it refers to the Minister of the Interior, Department of Indian Affairs, but not to the department, and I said there was no correspondence with the Minister of the Interior or the Superintendent General of Indian Affairs.

Mr. McINTOSH: Very well I will be more specific and amend the resolution.

Mr. SPEAKER: Dropped.

TITLES, HONOURS AND AWARDS

PROPOSAL THAT PRIME MINISTER REFRAIN FROM RECOMMENDING TITLES FOR CANADIANS

Mr. HUMPHREY MITCHELL (East Hamilton) moved:

That, in the opinion of this house, the Prime Minister should refrain from recommending to His Majesty the King, the granting of titles, honours and awards to British subjects resident in Canada.

He said: Mr. Speaker, first of all let me, as a member of this house, say that I

approach this problem, if it may be termed one, in a state of apology, may I say, to the people of Canada. Had this house devoted more of its time to the important matters affecting the welfare of the nation than to the mere granting of titles, conditions confronting at least a million people in this country might be different to-day. It is a kind of coincidence that the resolution following mine on the order paper and moved by the hon. member for Brome-Missisquoi (Mr. Pickel) states:

That, in the opinion of this house, the Egg and Hog Grading Acts should be amended.

This shows the diversity of private members' resolutions as they appear on the order paper. One deals with the grading of agricultural products and the other, might I say, with the grading of human beings in this country. I would ask that this resolution be discussed on its merits and that the patriotic appeal should not be used as a smoke screen to cover up the implications of the policy of the government in this regard, because frankly I do not think any party in the house has a first mortgage on our national life, on the destiny that this country will inevitably reach in the years to come or in its admiration for the link that binds this dominion to the British commonwealth of nations.

At the end of last session, in view of the statement made by the Prime Minister (Mr. Bennett), I very innocently put on the order paper a resolution, an exact replica of that moved in 1919 by a Mr. Nickle who then represented Kingston in the house. There was no secret about it; it was known by everyone from one end of the dominion to the other, and I think, in fairness to the country and to the house, the Prime Minister might just as well have waited until the representatives of the people had expressed themselves on a policy of that character. I hope even now it is not too late at least to get in respect to this particular policy a crystallization of the viewpoint of the Canadian people from one end of the dominion to the other as expressed by their representatives in this chamber. I am not unmindful of the fact that this is the last day for private members' resolutions, and that this resolution, if it is talked out to-day, will go to the churchyard with all the other private members' resolutions on the order paper, but I would ask that the government give the house an opportunity of reflecting the viewpoint of the Canadian people on this question.

Mr. NEILL: To-day.

Mr. MITCHELL: Yes, to-day. It has been said to me that some objection might be made, because of the broad implications of the resolution, to its reference to honours and distinctions. If that stands in the way of the abolition of titles in this country, I am quite ready to have the resolution amended so as to give an expression of the house on the question. Frankly, I think the Prime Minister would have been on much safer ground had he taken the action he did under peace, order and good government, because, after all is said and done, this would have satisfied the hunger of some Canadian people for titles or distinctions from their fellow citizens.

This question has already been discussed from many angles in the house during the present session, but I believe one should look at all sides of the matter. Last summer I visited many countries in Europe and I have been severely criticized because I gave what I thought was the result of my observations, a broad interpretation of what I believed was the best, the worst and the medium in the countries I visited. This afternoon I intend to deal broadly with the question. One side has been given and I intend to give the other. The question of royal prerogative is not open to discussion; it has been clearly enunciated by the Prime Minister from his viewpoint, although I would like to point out that it is not generally understood by the public that the crown, of course with one or two notable exceptions, does not act on its own initiative on questions of this description. I am not going to discuss the legal aspect of the matter, because the leader of the opposition (Mr. Mackenzie King) disagreed entirely with the contention of the Prime Minister, and after all is said and done, legal interpretations in the house are generally decided on votes. If the party putting forward the contention has a majority of the votes, that is the policy that is carried out.

The resolution passed in 1919 was respected by Sir Robert Borden; it was respected by Mr. Arthur Meighen for two years; it was respected by the present leader of the opposition for eight years, and it was respected by the present Prime Minister for three years. In 1919, Sir Thomas White, then Acting Prime Minister, said that the question was in the hands of the members to deal with, and I would like a repetition of that policy to-day. He said:

It is perfectly open to each member here so far as the government is concerned to vote as he may see fit. The same remark applies to members of the government.

In his policy in connection with titles the Prime Minister dispensed with the implication of the resolution that had been in effect for fifteen years. In 1929 that resolution had been in force for ten years and at that time the House of Commons by a majority of 114 to 60 refused even consideration of a motion for the appointment of a special committee to inquire into the question of titles.

I would like to quote some observations of members of the party now in power in connection with this question. The first is the hon. member for North Huron (Mr. Spotton), I can just imagine my hon. friend with that magnificent voice of his saying in this house on February 14, 1929:

> This question was settled by my party in 1919, and I have heard no person in my county or in the province of Ontario express any desire to return to mediaeval times. This seems to be an innocent matter when we are asked simply to refer the question to a committee for consideration, but there may be leaders of parties who perhaps discern the psychology of the situation. In an old school book there was a verse which read like this:
>
> Vice is a monster of so frightful mien,
> As, to be hated, needs but to be seen;
> Yet seen too oft, familiar with her face,
> We first endure, then pity, then embrace.

I think the hon. member can at least be given credit for being a prophet; at any rate, in my judgment, he reflected the opinion of the majority of the party to which he belongs.

Then we have the opinion expressed by the present Minister of Railways (Mr. Manion) in 1918, on May 21:

> Now before I close, let me say that I wanted to make my position clear on this question before the vote is taken. I regret very much that I felt it necessary to put myself right before this house as to why I intend to vote in a certain way when this vote is taken. I wish to say that, generally speaking, I agree absolutely with the hon. member for Springfield (Mr. Richardson) and the hon. member for Kingston (Mr. Nickle) that not only hereditary titles but all knighthoods should be abolished in this country.

There may be some difference of opinion on the legal aspect of this matter, but I do not think there is any disagreement as to the application, at least in the past, of a policy such as has been set in motion by the government. I have always felt that the genius of leadership is not to domineer, the genius of leadership is to crystallize the opinions of your followers. I am frank to admit that this policy in the former democratic countries of Europe has been changed considerably in the last decade, seventeen of which are now under some form of dictatorship. In Warsaw last summer I made this statement; you have lost all the freedom gained since the French revolution, and you will have to fight for it all over again.

There was another member of the party now in power who expressed an opinion on titles. It is true that for some reason unknown to myself he is not a member of this house at the moment. I refer to Mr. Thomas Church, who on February 13, 1929, said:

> It was pointed out by the hon. member for Fort William (Mr. Manion) who is now one of the leading front benchers in this parliament, that if we wanted to give titles in Canada we should give them to those who served in the trenches for $1.10 a day and to the mothers and widows of those who fought and fell in France and Flanders. Those are the people who should be honoured. How does the government honour those people? Do they get titles? Yes to the poor house.

Now there is something to be said for war decorations—I speak now of course of the three main decorations. They were democratic and there was only one way to get them; that was by going to war. I think it can fairly be said that they could not be bought, as titles have been bought in countries other than this. The recent honours list is predicated upon the fact of class distinction. To substantiate that I will read a statement by Mr. Lloyd George in the House of Commons in Great Britain on July 17, 1922. He stated:

> As I have pointed out, in recent years there has been a new order, upon which a very large number of men have been put of the working and lower middle classes, who certainly could make no contribution to any party funds, but who have rendered service at one time or another to the state, mostly in connection with the war.

I take it the decoration he refers to is the Order of the British Empire. No doubt in England that order was bestowed on many members of the working classes and lower middle classes.

I have no objection to the present list on personal grounds. But there is nothing new in the strategy followed by the Prime Minister; it is as old as history itself. Most people who study history know that it was customary for some of the ancient tribes to put the women in front of the armies—

An hon. MEMBER: Like the C.C.F.!

Mr. MITCHELL: —not so that they should be shot but for the purpose of preventing the enemy shooting at the men behind them.

As to our judges, I have often expressed the opinion to my own people that in this dominion a man appearing before a court of law on a criminal charge gets probably as fair treatment as in any country under the canopy of heaven. I believe that no honour that can be given to a man could be higher

than to be appointed to the bench of this country. By granting titles to two of its members I do not believe the Prime Minister has raised the status of the judiciary. Judgeships cannot be purchased as titles have been purchased. It is quite possible that in the appointment of some of the junior judges politics do enter into the question, but on no occasion within my memory has the finger of scorn been pointed at any judge because of the allegation that he was appointed on the basis of payment for his appointment.

It must be obvious to all who read the signs of the times that a revolution in thought is taking place in this country. I think it is fair to say that the direction of that thought is against the creation of class distinctions among the Canadian people. I believe the policy adopted by the Prime Minister fundamentally lends itself to trading and abuse. The revelations as to the sale of honours during the Lloyd George regime in Great Britain clearly indicated how corrupt the granting of honours had become. It made possible the accumulation of a huge campaign fund that the Liberals there, or what is left of them, have fought over ever since. In substantiation of my statement that such a condition existed I quote Lord Carson. Speaking in the House of Lords, he said:

> I have had more than once in my chambers to advise on cases in which I have examined long correspondence which showed that there was a regular brokerage, however conducted, for the purpose of carrying out and obtaining honours.

If that is not sufficient I will quote another man who I believe is a good Conservative, the Duke of Northumberland, of coal fame. He said:

> It has come to his knowledge that there was a considerable number of persons in this country who wrote to other people saying they were authorized to approach them with a view to their obtaining an honour in exchange for a contribution to the party funds. He had several of these letters in his possession and he could produce them if necessary.

I think that clearly indicates one of the main objections of the Canadian people to the granting of titles. Who ever heard of a workingman or a farmer getting a title? Of course it is not done; one need not argue that point because it is so obvious. Then I should like to quote another authority, and this will be appreciated by those who have read the works of the late Lord Bryce. I am going to refer to that profound study of modern democracy, his American Commonwealth, which I think is one of the best analyses of governmental institutions ever written. This is what he says:

> It may seem a paradox to observe that a millionaire has a better and easier social career open to him in England than in America. Nevertheless there is a sense in which this is true. In America, if his private character be bad, if he be mean, or openly immoral, or personally vulgar, or dishonest, the best society may keep its doors closed against him. In England great wealth, skilfully employed, will more readily force these doors to open. For in England great wealth can, by using the appropriate methods, practically buy rank from those who bestow it; or by obliging persons whose position enables them to command fashionable society, can induce them to stand sponsors for the upstart, and force him into society, a thing which no person in America has the power of doing. To effect such a stroke in England the rich man must of course have stopped short of positive frauds, that is, of such frauds as could be proved in court. But he may be still distrusted and disliked by the elite of the commercial world, he may be vulgar and ill-educated, and indeed have nothing to recommend him except his wealth and his willingness to spend it in providing amusement for fashionable people. All this will not prevent him from becoming a baronet, or possibly a peer, and thereby acquiring a position of assured dignity which he can transmit to his offspring. The existence of a system of artificial rank enables a stamp to be given to base metal in Europe which cannot be given in a thoroughly republican country.

In connection with the United States might I say this: The only way an individual in that country can perpetuate his name, if he be a rich man, is by making some contribution to education or by adding to the numerous foundations that exist in that country, which I think all will agree have at least contributed something to the life of the country and to civilization. I might mention the Rockefeller foundation, the Carnegie foundation and the Russell Sage foundation, and I could go on almost indefinitely.

The Prime Minister may have his own opinions and may express them in an elaborate manner, but I should like to read a passage from Toronto Saturday Night of January 27, 1934, contained in a London letter written under the nom de plume of P. O'D.

> Everyone over here—everyone English, that is—seems to be very pleased at the reappearance of Canadian names in the honours list. That is natural enough, for the manufacture of titles is a conspicuous British industry, and, like every other industry, it is keen to extend its export market, and welcomes the removal of embargoes. So a great many complimentary things are being said about the courage of Premier Bennett in coming to this decision, though one is inclined to wonder how much of it is courage, and how much the natural desire of a political leader to reward distinguished henchmen in an easy and inexpensive manner. Even Mr. Mackenzie King, if and when he comes to power again, should find it very useful, in spite of his present opposition. And,

anyway, he can hardly reverse the decision. To refuse titles again would smack of absurdity.

As a matter of fact, we Canadians are not nearly so democratic a people as we like to fancy ourselves. There are a lot of us who long for titles—oh, just to please our wives, of course!—and a lot more who enjoy addressing their acquaintances as "Sir William"—

You will remember old Sir William.

—or "Lord Thingumbob," as the case may be. And, as for the "Lady This's" and "Lady That's," they simply revel in it, and so do their friends.

Since that is the case—and how much it is the case anyone can easily judge by watching Canadian society in London,—

I think they would be better back here giving us a hand.

—or anywhere else for that matter—Mr. Bennett possibly did a sensible thing in recognizing the situation and meeting it. But even British newspapers express the hope that a little more care will be exercised in the future distribution of titles to Canadians than was exercised in the past. Now that the market has been opened again, they don't want to see it spoiled.

In my judgment this puts the situation very clearly and reflects a very human point of view. I do not think any power on earth can prevent the abuse of this power of creating artificial class distinctions in this country. Perhaps I might mention a story that runs through my mind and which will be familiar to students of Dickens. At the moment I have forgotten the book in which it appears, but it refers to this very point. There was an old chap who eventually reached his deathbed and who had bragged considerably during his lifetime with regard to his ancestors. He had two maiden daughters who were quite anxious to find out the old chap's antecedents, and as he was drawing near the end they said, "Father, who was your father?" He said, "Lord knows who," and from that time on they claimed that they descended from the aristocracy of Great Britain.

My attention was directed to a remark made by the Minister of Railways (Mr. Manion) during the debate on the speech from the throne. He said something about one of the French queens who, when told that her subjects had no bread, said, "Why don't they eat cake?" I think the attitude of the government in regard to this matter is somewhat akin to the attitude of that French queen. What thousands of people in this country want is to retain title to their homes, to get title to a job or an order for their next meal. About the only orders they have been granted since this government have been in power have been the orders given out by the relief officers from one end of the country to the other. I think the time and energy of the government would have been better directed in devising ways and means of providing more and better jobs.

My time is nearly up, but I want to say this in all humility: I was born in England, and I know something about class distinction. Some in this country may boast of their forbears, but I think most of our ancestors came to this great land because they thought it offered better opportunities than the older countries in Europe. I think this might be truthfully said of most of the people who have settled in Canada, and it is nothing to be ashamed of. It takes some courage—and I have passed through it—to pull up stakes in your own land, leave your friends and go to a new country. I do not believe any man or woman should decry their humble origin; I think anyone who does so expresses the height of snobbishness. I think I express the opinion of the Canadian people when I say that they do not desire to be graded. We pride ourselves, as I think anyone who has travelled this world will agree, on our good fellowship and democratic impulses. I want to say this about Great Britain:

Why should Great Britain lag behind Canada and the United States? Hereditary titles are ludicrously out of date in any modern democracy, and the sooner we sweep away all the gimcracks and gewgaws of snobbery the better.

These are the words of that very able old sailor who made possible, from a naval viewpoint, the winning of the last great war. I refer to Lord Fisher, known as Jackie Fisher of the British navy. He goes on to say:

The fount of so-called honour has become a deluge, and the newspapers are hard put to it to find room for even the spray of the deluge. The war has not begotten simplicity and austerity in this respect. On the contrary, it has made what used to be a comedy a screaming farce. There was a time when the birthday honours list could be printed on one day, but it is now a serial novel.

I hope that in this country we are not coming to that.

The first chapter of the latest birthday list was long, but the Times warned us that it was only "the first of a series which already threatens to outlast the week—quite apart from the gigantic Order of the British Empire."

I did not intend to speak so long, but I shall close with that quotation from the words of a very fine old gentleman. I could quote opinions of Conservatives and Liberals, and of newspapers from one end of the dominion to the other. I believe those opinions should represent the crystallization

of the viewpoint of the people in their respective communities, which in my opinion is absolutely opposed to the policy which has been set in motion by the Prime Minister. I would ask that hon. members be given an opportunity this afternoon to reflect that which, in my judgment, is the viewpoint of the Canadian people on this particular matter.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, it might be well to direct the attention of this house to the terms of the resolution, after having listened to the speech made this afternoon. It is:

That, in the opinion of this house, the Prime Minister should refrain from recommending to His Majesty the King, the granting of titles, honours and awards to British subjects resident in Canada.

The resolution is that this house should advise the Prime Minister what he should do. The constitutional rule is that this house condemns the Prime Minister for the action he takes. It has never been the custom in this House of Commons, and I trust never will be the custom in this house under our constitution, to endeavour to direct the government of the day as to what it should do—

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: —by a vote of the chamber. If the government gives advice which is open to censure, the government disappears. It is defeated on a vote of want of confidence. I pointed out the other day—and since then there seems to be no doubt as to the soundness of my suggestion, at least from a legal viewpoint—that one house of parliament is not competent to deprive the sovereign of his prerogative, and that a resolution passed by one house is not effective for that purpose. I further point out that if it was desired to instruct the Prime Minister as to what he should do, it could be done only by the method that has been followed. I also desire to point out now that a resolution such as the one now before us does not embody the constitutional method usually employed to bring either censure or, shall I say a vote of confidence, upon the action taken by the government of the day. So much for the motion.

The speech to which we have just listened might be divided into two parts. The first was the reading of a series of quotations from those who had themselves accepted honours from the crown. Lord Bryce died a member of the Order of Merit, and a viscount. Lord Fisher was a member of the House of Lords, and also of the highest Order of the Bath. The two quotations, therefore, are not particularly relevant except as indicating that the gentlemen who used them or who made the observations were rather annoyed that the list was becoming swollen by the introduction into it of others less useful than themselves. Let us now proceed to deal with the first point that was made, that the sovereign is the fountain of honour.

In 1922, in consequence of what took place in Great Britain, a committee was set up consisting of Lord Dunedin, the Duke of Devonshire, Lord Denman, Sir Evelyn Cecil, Sir Samuel Hoare, Sir George Croydon Marks and Arthur Henderson, the present foreign minister, to consider these matters. They made a report, to part of which I should like to direct the attention of the house:

Before we go further, we think it is advisable to state clearly the position of the King as to the conferring of honours, a position as to which there can be no controversy, but which is perhaps scarcely appreciated by all who have been interested in the matter.

The King is the fountain of honour, and all grants are made by him, but in the selection of the recipients of these grants, as in other things, he is in practice to act not on his own initiative but on the advice of his ministers. The minister responsible for such advice is the Prime Minister except in certain special cases, e.g., in the cases of the Order of St. Michael and St. George, Naval, Military and Air Force honours, Orders of the Star of India and of the Indian empire, where the minister in charge tenders his advice direct. With these exceptions, and that of the Royal Victorian Order, which is a private order and is bestowed by the King alone and upon his own selection, no grant of honour is ever made by the King except upon the recommendation of the Prime Minister. Even in the case in which the King might wish that an order or a peerage should be given to a member of his own household, the recommendation would appear on the Prime Minister's list.

Then the committee divided the honours into classes.

It will tend to clearness if we make a division into classes of the honours given. There are first, those given on what we may term exceptional occasions which do not often recur; such are Coronation honours and honours in connection with the war. Secondly, there are what may be termed departmental honours, e.g., those given to civil servants in the home government departments. Thirdly, there are honours given in connection with the Foreign office, the fighting services and the India office, and honours given to persons connected with the dominions, colonies of India, as distinguished from persons connected with the United Kingdom. Lastly, there are honours given to members of the general public for service or distinction, and these may be subdivided into honours for distinction in literature, science and art, using those terms in their broadest sense, and honours given for political services.

The motion before the house would preclude the government of the day making any recommendations for recognition by the sovereign of services rendered by the most distinguished servants of the crown in this country. It would also preclude any recommendation being made with respect to those who might achieve great position in literature, art or the sciences. And, as a matter of fact, while it might well be denied by those who do so contend and insist that no such recommendation should be made, I desire to point out, as is indicated in the report, that the conferring of honours upon those who have thus achieved distinction is one of the oldest acts or prerogatives of which we have any record. While it may not be necessary that it should be done, it is a recognition by the state of services rendered to the state or to the world at large.

Now, there are those who say that this is something which should not be done. Why? As great a man as Nelson expressed his view upon it; as great a man as Lord Curzon, in our day, expressed his view upon it; as great a man as Napoleon, whom Gladstone described as the greatest man, with one exception, of whom there was record,—expressed his views when in 1802 he introduced the legion of honour. Just why there should be in connection with the conferring of honours and awards upon subjects of this country the accusation that we are creating class distinctions, I cannot understand. To say that all persons are equal is to say something which everyone knows is untrue. God has not given equal ability to all men and women. They are not all equipped with the same power of thought or with the same intellectual power. That is quite clear. The attainments of all people are not on a uniform level. It therefore follows that if some have rendered great services—and I use the word "great" in its relative sense—there should at least be no harm in a recognition of those services. For instance, turning to the names appearing on the recent list we find that many are the names of distinguished civil servants who have retired from the service. The honour thus conferred, usually, is that of Commander of the Order of St. Michael and St. George. Sometimes if the service has been very long, as it was in the case of Joseph Pope, there has been a recognition by conferring the title of Knight Commander of the Order of St. Michael and St. George. There are other cases which will come readily to the minds of hon. members of this house. These were servants of the crown for fifty years and over; they retired from the service; should the government of the day be precluded from deciding that such a person should have some recognition of a special character accorded to him or her by reason of the service rendered to the state? That is all that is involved. I can readily understand the contention that what are called titles of distinction may be open to a form of criticism or of censure, but that does not apply to honours and awards. I shall say something about these later on. I ask this house whether or not it believes that a man who has served Canada faithfully, honourably and well for fifty years and over, who is retiring, having earned his superannuation, should not be recognized by the conferring upon him of the honour of a C.M.G.

I have no doubt that the right hon. leader of the opposition (Mr. Mackenzie King) was a very proud man when his sovereign honoured him by conferring upon him the C.M.G. He is an entirely different man from myself if he would not be proud of it. He had earned it by distinguished service to the state. He had been Deputy Minister of Labour and had rendered very peculiar service in particular ways. The prime minister of the day recommended to the governor general of the day that he should request the sovereign to honour him with a C.M.G. Did he earn it? Was he entitled to it? Why should he not receive that honour? Why should not the prime minister confer that recognition upon him? I could give the house countless other instances.

Take the case of women. At the end of the war there was available for distribution among the women of Canada a large number of honours and awards, but the resolution moved in this house was acted upon and they were not thus honoured. Many of them have since died. There were men whose names were on the list and who would have been honoured but who have since died without recognition. In the list to which reference has been made appeared the names of women who were upwards of seventy years of age, some of them being between seventy and eighty. For fifty long years they had continued to give leadership in their communities in social activities. They did it without reward or hope of reward. It does not hurt their position in the community to say that they should receive recognition by their sovereign conferring upon them a slight honour, making them a Commander of the Order of the British Empire or a member of the Order of the British Empire. This is a recognition for a lifetime of work for humanity. What is more, I know of not a single one of those who have

been named who is not proud of the honour thus conferred. The communities in which they live have been proud that they have been thus honoured. Their fellow-citizens who accorded to them the positions which they held with such public esteem in this democracy are proud that these men and women have had these honours conferred upon them. Was the recognition such that there should be censure of the government of the day? The hon. member for East Hamilton referred to the occasion which arose in Great Britain in connection with alleged abuses in this regard.

Leaving this for the moment, I recall what Kipling has said in one of his stories. The fact that men and women in the public service realize that at the end of a long life of untiring effort and useful service they may have some slight recognition by the head of the state has promoted ambition among men and women in every part of the British world. This has proved a stimulant to effort, particularly in India. Hon. members will recall that Kipling refers to the men and women who are striving to serve the state, hoping that at the end of their service they may be honoured with a C.S.I. or C.I.E. They seek to attain this recognition not because they value the honour as a class distinction but because it means the seal of approval of the head of the state upon the character of the service rendered.

Take literature, for instance. I doubt if there is an hon. member who is not familiar with the story of Lord Tennyson. They will recall that Mr. Gladstone offered him a baronetcy and that he finally agreed to accept it during a long cruise in the Mediterranean. Lord Tennyson gave the reasons why he accepted this recognition.

Most hon. members will remember that distinguished scientist, Mr. Rutherford, at one time professor at McGill. He was honoured by his sovereign for the great contribution he had made to science, and he is now Lord Rutherford. Take art. What hon. member does not recall Lord Leighton, the president of the Royal Academy? They will recall the joy with which the conferring of this peerage was received. Take medicine. Who does not recall the honour conferred upon Lord Dawson of Penn and upon Lord Horder. In these cases the state was giving slight approval for a long lifetime of effort in preventive medicine.

Take our own country. Who is not familiar with the life of Sir George Cartier and the recognition accorded to him and to Macdonald? They will recall the ultimate action taken in conferring a baronetcy. Who does not recall the position taken by men in days gone by with respect to honours conferred in the maritime provinces, in upper Canada, and upon members of the judiciary and of other walks of life? It was felt that they should not accept these honours for the purpose of class distinction but that they should receive recognition from the head of the state for the services they had rendered to the whole state.

For instance, take the knighthood conferred upon the head of the meteorological service in this country by the Duke of Connaught as a farewell honour. Who does not remember the circumstances? Does any hon. member for one moment recall Mr. Stupart as a man of money or as a man who made any pretence to money? He had no claim to fame other than that which came from the contribution he made to the welfare of his fellows through long years of service. He received a knighthood from his sovereign, a recognition of the service rendered by the man to the state.

When I hear laughing in the house, when I hear an hon. member rise in his place and compare this matter to the motion of the hon. member for Brome-Missisquoi (Mr. Pickel) with respect to the grading of hogs, I say it does him no credit and is a reflection and an insult upon the citizenship of this country. It indicates that much midnight oil has been burned in the preparation of a speech that had to be delivered while this motion was still upon the order paper.

It has been said that the government of the day took action at a very inopportune time. If hon. members will take the trouble to peruse that list and consider the service which has been rendered during the last three and a half years of this great depression by those whose names appear thereon, I think perhaps they will modify their judgment. Was there class distinction with respect to any of those names? It is true that one of them was a messenger in the governor general's office, whose faithfulness, loyalty and devotion to duty for nearly half a century—I think, for over thirty years—warranted in my judgment his receiving the approval of the head of the state for services thus rendered.

Take the names of women who in these days of stress, in these terrible days, have been caring for the poor, looking after those who could not care for themselves, going down into the slum sections of cities, looking after babies and mothers, engaging in prenatal work with respect to children, the feeding of them and caring for them—the recognition of such work by the state was intended to be, what in fact it is, the placing of the

approval of the head of the state upon unselfish services rendered to humanity. That is what it was; that is what it is, and that is what has been done. I ask this house to name a single instance, in that list of names, in which the service rendered has not been service of which any Canadian would be proud that another Canadian should have rendered.

Why is it that from every part of this country people come together from long distances, as they did the other day, to honour one of our fellow Canadian women, who was recognized very slightly it is true, from the standpoint of values; but people came from great distances, fifty, sixty, one hundred miles to pay tribute to this woman—why? Not because she had received an O.B.E. or an M.B.E., but because they saw, in the recognition by the state, what they had themselves long ago recognized, namely, fitness to lead, the willingness to serve, the understanding mind, the willingness to care for those afflicted or suffering from lack of food, of shelter or of clothing. Go to the city of Montreal, go into this community, and ask yourselves whether or not it is a proper exercise of the prerogative of the crown, on the advice of the responsible minister, that such recognition should be given. That is what I put to this house.

As to the suggestion that this is class distinction, well, I once heard Mr. Bonar Law say that it was difficult to explain why men, shaped and formed in a general way alike, why women, shaped and formed in a general way alike, should be so different in their qualities, so different in their expression, so different in the character of service they could render to their day and generation. And yet it has been so and will be so. Neither you nor I, sir, can change it; it has been so throughout the ages. The vision, the prescience that enabled Rutherford to discover what he did discover was honoured by his sovereign. The vision of Newton, of Davy, of Lister, who received a peerage for his services—all these must flash upon one's mind; and in this country, if we have rendered too tardy recognition to those who have served us, I say that this is the time to realize that in the days of dark depression, when men and women have been willing to go out and devote themselves without thought of self; to toil without thinking of the effect upon their own lives, without thinking of good times, without thinking of leisure or of enjoyment of wealth—if they have been willing to do all this for their fellows, why should this House of Commons say that it should not be done?

[Mr. Bennett.]

Has it come to this, has the hon. gentleman who has just spoken (Mr. Mitchell) reached the point where he is wholly oblivious to whether or not he receives the recognition of his fellows for his services? Has he reached that altruistic state where he does not care whether he is acclaimed or frowned upon for what he has done? It is so easy to arouse prejudice and class distinctions, yet at the same time for people to put their tongues in their cheeks and say, "How willing we would be to accept these things, only we want to be against them until we do."

Listen to the further charge that has been made, that this is an instance in which women's names have appeared on the list of honours and awards, while the names of men have not, because we desire to follow a practice of old, that women should be shot at rather than that men should be killed. There is in this house a rule, which I am bound to say is sometimes more honoured in the breach than in the observance, against remarks of this kind. Is it the sort of thing that conduces to high citizenship to have such remarks made, to classify your fellow citizens as hogs, to grade them as such? For that is what this does, when it is suggested that the government of the day made a recommendation to the sovereign for the purpose of enabling men to be protected by the destruction of women. That is the story.

I just want to say one word more. To circumscribe or limit the power of a government may be done by the method now suggested, and not for a moment do I say that it cannot be done. If a majority of the house votes that the government of the day is not to do as it has done, then of course obviously the government that does so asks for its own dismissal. But on the other hand that is not the practice. The practice is to censure for actions that are affirmative and not to give negative advice to governments as to what they should do. That has not been the practice of the House of Commons or of governments. I am not going to traverse to-day the ground I have traversed before. That discussion, I think, would serve no useful purpose. The right hon. gentleman, during the celebration of the sixtieth anniversary of confederation, passed an order in council conferring the title "Honourable" upon the Lieutenant Governors of the provinces, both those who had been, those who were and those who were to be. That of course was an exercise of the prerogative; it could only be done by it in this dominion. And in the sheets that are issued governing such matters there appear at the top the well known words

with regard to titles in Canada. The words used at the head of the list are, "Table of titles to be used in Canada." The conferring of the title Honourable upon the Lieutenant Governor of Prince Edward Island instead of "His Honour," as he had theretofore been addressed, was an exercise of the prerogative. Now what is the difference between the exercise of that prerogative, the advice of the Prime Minister that Mr. John Smith shall hereafter be known as the Honourable John Smith for life and the conferring upon any man or woman—except two in the list last put forward on the first of January—of any title that gave no precedence, no place, no position but was merely the recognition by the head of the state, on the advice of the Prime Minister of the day, of services rendered to the state? It is not a question of rich people, not a question of the money they have; if the prerogative is exercised on advice that is not right, on advice that is, shall I say, clearly upon the face of it such as should not be given, then this house has the power at once to censure and destroy the government that does it. But what the House of Commons is asked to do here, in this declaration which is so unfair, is to say to the Prime Minister of the day, "You must not recommend any citizen of Canada in the public service, or any citizen engaged in social service or in any work that is being done for Canada—you must not recommend them for recognition." That is what is asked, and I protest against any such motion being passed. I protest against that power which must lodge in all governments being thus circumscribed and limited.

I go further. We said in 1926 that we were autonomous communities; we repeated this in 1930 and we said that we were united together by common allegiance to the crown. The crown is the symbol of our unity, of the unity of the British Empire, and that crown in every part of the empire exercises, on the advice of its responsible ministers, its prerogative to confer upon its subjects such recognition as the character of their services demands. Shall Canada be the only country whose ministry is precluded from doing that? Shall there be recognition of the services of British subjects in every part of the world except Canada? Shall the Canadian House of Commons say that the Prime Minister shall refrain from making recommendations when prime ministers of the other dominions can make recommendations on behalf of their citizens? Are we to be the only community that is failing to recognize services rendered to the state, to humanity, to the country itself? That is the question.

I do not intend to take up time in further discussing this matter. I intend to leave it, as I think it should be, under the understanding that the hon. gentleman has of procedure, to be determined as he suggests, but I do say this: No Prime Minister who accepts the responsibility of his office and who believes his fellow citizens are worthy of recognition as are citizens in the other parts of the empire, can become a party to a resolution that deprives such citizens of recognition by their sovereign. The common allegiance that we owe to the crown is manifested in many ways and one of the many ways in which it is manifested is that the crown itself, on the advice of the responsible minister, may recognize the services of its subjects, whether men or women, who in time of stress and strain spend themselves and their fortunes for their fellows, who do so unselfishly without reward or hope of reward, or who render high judicial services or great services as public servants. It should not be denied to the prime minister of the day, whoever he may be, to make such recommendations as will enable the head of the state, on the advice of his ministers, in the exercise of the royal prerogative to recognize services thus rendered to the country. I would support that power in the hands of the right hon. gentleman opposite; I would support that power in the hands of any prime minister who must be responsible to this house and the country for the manner in which it is exercised, and I would court the closest criticism, the closest analysis of the manner in which that power has been exercised. It was exercised at that particular time for the special reasons that I have mentioned, namely, that when that service was being given at the time it was most needed, the crown, speaking on the advice given to it by its ministers, itself recognized that service as worthy of the recognition of this country. Upon those grounds this government has made those recommendations and I protest against any limitation being imposed by resolution of this house upon any government thus recognizing services whether they be on the bench or at the bar, whether they be in the world of science or of social effort, whether they be an improvement on slum conditions in which men and women live or the preservation of child life. Whatever or wherever that service be, whether it be in the house or out of it, I protest against any government being deprived of power to recommend that such service to Canada be recognized by the crown which is the sign and symbol of our common allegiance.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I do not believe the country is interested in listening to a prolonged debate on the merits of the question of the restoration of titles in Canada. What the country wishes to know is what this House of Commons feels on the matter, and what the country will expect of the government is that it will give the House of Commons the right to vote on this question. As no one is better aware than Your Honour, the rules of the house provide that if a debate takes place on a Wednesday afternoon on a resolution by a private member and the debate is not concluded by six o'clock, then the resolution goes to the bottom of the list of private members' resolutions that prior to that time have been discussed and in all probability will not be reached again during the session. That being the case, unless the Prime Minister is prepared to say that he will set apart a day when this resolution will be taken up again and the debate resumed upon it so that a vote may be taken in the house, I think I would ask all hon. members on this side to refrain from further participation in the discussion in order that we may come to a vote at the earliest possible moment.

I myself will follow that course by replying simply in one or two words to what the Prime Minister has said with respect to the matter of procedure. It will be recalled that when my right hon. friend took the step of recommending to His Majesty the restoration of the granting of titles in Canada, he did so on the ground that an address from this house to His Majesty with respect to an important matter such as that of titles was not the proper way to proceed; that such procedure was an indignity to His Majesty. I believe the Prime Minister was wrong in that. I shall give just one quotation to indicate what I believe it was that actuated the House of Commons in 1919 to proceed by a resolution in the form of an address to His Majesty with respect to this matter. The quotation is from Redlich. The Procedure of the House of Commons, 1907, volume 2, page 246, as follows:

> It is, of course, impossible to enumerate all cases in which an address is appropriate. There is no definite sphere of applicability; the common element is a desire on the part of the house, as representing the nation, to record its views on some events in a peculiarly impressive manner. This may be desirable as to events both of domestic and of foreign concern. There seems to be only one direction in which any limitation has been laid down; no address may be presented in relation to any bill depending in either house.

There is no doubt that when hon. members of this house last spoke on this matter, they adopted the form of presenting an address because, as Redlich says, in their opinion that was the most impressive manner of presenting a matter which the house deemed of great concern to the country.

The Prime Minister, as I said, was opposed to that method, took exception to what had been done and proceeded with the restoration of titles on the score that that had not been the proper method for the House of Commons to follow and that a resolution of this kind applied to the parliament that passed it and that he could not be bound by what any previous House of Commons may have been bound by. He was then asked very pointedly by an hon. member on this side, the hon. member for North Waterloo (Mr. Euler), what was the proper method of procedure, and I purpose to give, because I think it has governed the action of the hon. member who has introduced the resolution in the form and words in which he has introduced it, the answer which the Prime Minister made to that question. I am reading from Hansard of January 30, 1934, at page 99:

> Mr. Euler: If instead of requesting the sovereign directly not to exercise its prerogative, the House of Commons had expressed its desire that the Prime Minister himself should not make any recommendation, would the Prime Minister in that case feel himself bound?
>
> Mr. Bennett: The hon. member is coming to the point I was about to make. Rarely have I found an argument adduced against a position I have taken which so completely supported my position as that taken yesterday by the right hon. gentleman. He argued—

That was a reference to my own remarks at the time.

> —that this House of Commons is a body from which I derive authority as leader. That is true. But it was not the house of 1919 from which I derived authority; it was not the House of Commons of 1919 which permitted me to stand in this place in the house.

Now I ask hon. members to follow closely the following sentence:

> This house would be within it constitutional rights if it passed a resolution asking the Prime Minister to make no further recommendations during the life of this parliament for titular distinction of any person domiciled in Canada.

Mr. BENNETT: I repeated that a minute ago.

Mr. MACKENZIE KING: Having made the statement I have just read, the Prime Minister opened the discussion this afternoon by saying that this is an entirely wrong way

of proceeding, that the proper procedure is to censure the government that has done or is doing a wrong thing. Now, Mr. Speaker, may I ask the house: What would the Prime Minister have said had the hon. member taken the course which he now suggests should be taken? Had the hon. member asked Your Honour to allow him to drop his resolution so that in going into supply he might move that all the words after "that" be struck out and that in their place should be inserted, "this house is of the opinion that no titles should be granted during the life of the present parliament," or other words declaratory of its opposition against the granting of titles, the Prime Minister would immediately have said, This is not the way to proceed, this is an expression of want of confidence in my government, and I ask the hon. members who are supporting me in this house to reject a motion of that kind as a motion of censure on the administration. He would, in support of that contention, immediately have said: Did I not on the 30th of January point out to the house the correct method of procedure? The Prime Minister would also ask: Did I not say, this house would be within its constitutional rights if it passed a resolution asking the Prime Minister to make no further recommendations during the life of this parliament for titular distinction of any person domiciled in Canada? The purpose of the right hon. gentleman is obvious. He is determined that at all costs this house shall not have an opportunity to express its view on this question, because he knows that as respects the granting of titles the view of this house is similar to the view that is held from one end of this country to the other; it is one of opposition to the bestowal of titles in Canada.

The Prime Minister in the course of his remarks took exception more particularly to the fact of the resolution containing the words "honours and awards." May I answer that in just a sentence? The hon. member who has moved the resolution has said to the house this afternoon, and to the Prime Minister directly, that he is quite prepared to have his resolution amended by striking out the words "honours and awards," that indeed he would prefer to have it so amended.

Mr. BENNETT: I did not hear him say that.

Mr. MACKENZIE KING: Oh, yes, he did, and may I say now to the Prime Minister that if it will help to expedite a vote on this matter this afternoon every hon. member on this side will agree to an amendment deleting the words "honours and awards" thereby confining the vote to the question of the granting of titles as generally understood. That is the position in a nutshell. What we believe the country is interested in is preventing the restoration of titles in Canada as that term is commonly understood, titles designated by the prefix "Sir." What may be said with respect to honours and awards is open to debate, and to different points of view, but as far as Canada to-day is concerned I believe the feeling among all classes is entirely opposed to the restoration in this country of titular distinctions of the kind I have mentioned.

Now, Mr. Speaker, in order that every opportunity may be given for this matter to come to a vote this afternoon I shall not detain the house by further remarks but will ask the Prime Minister to grant the house the opportunity for a vote on this question either this afternoon or before the session is over.

Some hon. MEMBERS: Question.

Mr. BENNETT: Question.

Mr. GEORGE SPOTTON (North Huron): I think, Mr. Speaker, considering my silence in this house for some years, that hon. gentlemen on the other side should grant me the privilege of a few remarks. They can see by the clock that it is not possible for me, nor is it my desire, to talk the motion out. But remembering 1929, and knowing as a former school teacher that the child is father to the man, and watching the faces of the leader of the official opposition and the ex-Minister of Justice to-day and in 1929, it would look as though they think they are doing a great stroke of politics in the country. You will notice, Mr. Speaker, that the opposition leader never fails to say "the country"; what "the country" is thinking. I shall relieve his mind right now, as well as that of the ex-Minister of Justice.

Mr. EULER: You are almost right.

Mr. SPOTTON: Watching the leader of the opposition from day to day, reading his discourses throughout the country in which he reminds everyone that he is the grandson of his grandfather—

Some hon. MEMBERS: Order.

Mr. SPOTTON: —and suggests that, by virtue of having such an illustrious ancestor, destiny has ordained him to be premier of this country—

Some hon. MEMBERS: He certainly will be.

Mr. SPOTTON: —in fact he implies that it was only by a momentary mistake of judg-

ment on the part of the people in 1930 that he was given a well-earned rest, I observe with what confidence he turns to his followers to-day and assures this house that he speaks for every one of them in stating that there will be no delay in allowing this matter to come to a vote.

I well remember the by-election in 1927 when he came to my riding and ridiculed the idea of my attempting to gain a seat in the House of Commons, because I had no leader at the moment. I had an estimable house leader, who was an honour to the Conservative party, but the leader of the opposition ridiculed the idea of my attempting to obtain a seat; he asked whether I was going to follow the man from Fort William or from Calgary or Guelph or where; as though a man "born in the image" should not and dare not enter this house unless he had a leader born with an illustrious historical tradition. I want to tell the leader of the opposition that there is no such slavery on this side of the house.

Some hon. MEMBERS: Oh, oh.

Mr. SPOTTON: My leader is big enough to allow his followers to have convictions on this or any other question, and to vote as they please. I wish to say to the ex-Prime Minister that I made a speech in this house in 1929; it has been largely quoted, it was a short speech, and assure him that I stand to-day just where I stood then.

An hon. MEMBER: You will not after the next election.

Mr. SPOTTON: I have turned no somersault, and I assure him I am no Wobbling Willie. In his address in this house the other day the leader of the opposition told us again where he stood, but when I have finished reading the remarks made by the right hon. gentleman on a previous occasion I will ask hon. gentlemen on both sides to tell me where he stood then. I quote from Hansard, 1929, at page 78:

> Right Hon. W. L. Mackenzie King (Prime Minister): Whatever views one may entertain with respect to titles, I think that the form in which the hon. member for St. Lawrence-St. George (Mr. Cahan) has presented his motion is one which ought to commend itself to the house. The hon. member has asked for a committee to reconsider a resolution which was adopted by the house some time ago. He has pointed out that notwithstanding that the resolution precludes His Majesty from conferring titular distinctions and honours upon his own subjects domiciled in Canada, nevertheless the heads of foreign countries are in a position to confer such honours, and apparently have been conferring them, and that these honours are being worn by British subjects domiciled in this country. That of itself is a matter which is deserving of investigation, and it might be well worth while to have a committee of the house look into that phase as well as others.

Just ponder these words, Mr. Speaker, and tell me the position taken by the right hon. gentleman when he was clothed with all the powers of prime minister:

> If we are to have no titles, titular distinctions or honours in Canada, let us hold to the principle and have none, let us abolish them altogether; but if the sovereigns or heads of other countries are to be permitted to bestow honours on Canadians, for my part I think we owe it to our own sovereign to give him that prerogative before all others.

Now can anyone tell me whether the right hon. gentleman was going or coming?

Mr. YOUNG: How did he vote?

Mr. SPOTTON: He voted to have this matter go to a committee, as my leader did. My leader has been consistent, and I leave to the house the question of the consistency of the right hon. gentleman opposite. Then my right hon, friend went on, and I think this gives a true picture of him:

> The committee might go into all these matters. What I wish to point out at the moment is that there are anomalies in the present situation which have arisen out of the resolution, and without expressing my own view, I at the moment should like to have the matter looked into by a committee of the house. So far as the government is concerned, we are quite prepared to have the resolution adopted.

Several other hon. gentlemen spoke; there was a hurried consultation and then they put up Bonnie Prince Charlie, who said:

> I would not have spoken at this time were it not for the remarks of the hon. member for North Huron (Mr. Spotton), who endeavoured to put into the mouth of the Prime Minister words which he did not utter, and endeavoured to attribute to the Prime Minister a desire to see titles restored in this country. Not only do the Prime Minister's own words not permit of that construction, but I am in a position to say, knowing every member of the government, that not one member of the government is in favour of restoring titles in Canada, and the Prime Minister least of all.

Some hon. MEMBERS: Question.

Mr. SPOTTON: It may be all right to call "question" but I have been in company as fast as this for thirty years, and it will not perturb me a bit. Continuing, Mr. Dunning said:

> My own view is that this committee should not be appointed.

This was after the then Prime Minister whispered to him and there had been a sudden gathering of the clan in and around the curtains. Evidently it was thought that it

would be better strategy to oppose the resolution. Mr. Dunning went on:

It is very evident—I am not impugning in any way the motives of my hon. friend for St. Lawrence-St. George—that an effort will be made to convey the impression in the committee, if it is appointed, just as my hon. friend from North Huron did in his address a few moments ago—

and so on. I am not going to pursue this matter at length—

Some hon. MEMBERS: Hear, hear.

Some hon. MEMBERS: Question.

Mr. SPOTTON: I have seen occasions when hon. gentlemen opposite were not so anxious to have questions put, and I have assured hon. gentlemen that I am not atempting to talk out this resolution. My attitude is the same as it was in 1930; I have taken no somersault. I am going to support this resolution, but if I thought for a moment that the opposition considered that there was even a tinge of want of confidence in this government in my so doing I would gladly vote against it. Had this resolution come from the official opposition, instead of from a group in whom I have great confidence and for whom I have great respect—

Some hon. MEMBERS: Hear, hear.

Mr. SPOTTON: I hear some hon. gentlemen say "hear, hear"; they seem very happy, but you never know where they are. I heard them in this house say—I think it was last session, in connection with the Sun Life bill—that they did not know a bill was coming up. They held not only one but two caucuses to discuss the matter, and then came here blandly and stated that they were absolutely taken by surprise. The former Prime Minister, while speaking in my county, wabbled as he is wabbling here to-day; I heard him state that he was in favour of the abolition of the Senate, that the appointments he had made were made with strings attached, and that he, like Bunty, could pull the strings whenever he wished. He had a living example on the platform at Exeter, in the person of the late Senator McCoig, who said that was true, that he was appointed in that way. I heard the right hon. gentleman say in 1925 that he had a great deal of beneficent legislation in the back of his head but that he had not a clear majority in parliament. "Give me a clear majority in parliament and I will produce the legislation," he said. He came back with even less of a majority, but he was still imbued with the spirit of the divine right to rule, and he hung on despite the fact that his majority had vanished.

In this matter, Mr. Speaker, I stand where I have always stood. I remember the present Secretary of State (Mr. Cahan), twitting me in those days, in his eminent legal fashion. He said he would be glad to come into my constituency and lay the case before my constituents; he said that doubtless they were highly intellectual, and they are. The hon. gentleman went on to say:

I would go on the platform . . . and point out . . . that the nurse who attends her diphtheria patients, the policeman who risks his life to protect the lives of others, and the boy who jumps from the wharf to save the child who has fallen into the water and is drowning, cannot in Canada receive the recognition and approval of His Majesty for the valiant deed done for the good of humanity.

If I had ever heard of a policeman, a boy or a nurse who received a title I would have been constrained to have supported titular distinctions in Canada. I can only refer my constitutents to my speech which was put in every home in 1929. That is where I stood then, and it is where I stand to-day. Big men have refused to accept titles, and little men should not be given them.

Some hon. MEMBERS: Question.

Miss AGNES C. MACPHAIL (Southeast Grey): Mr. Speaker, so that I may not too long delay the house I shall take only three or four minutes. In my opinion the doing of a good and unselfish deed is its own reward. Any one, whether a man or a woman, who does a good deed in order that he or she be rewarded by some string of letters after a name, or a group of letters before, is not worthy of recognition. It is true that all "good men and true" have the reward of being respected and admired in their own communities. That, I think, is inevitable. It is a just reward for the good they have done and the kindnesses they have shown to others. The Prime Minister strove—and I think "strove" is the right word in this instance—to show that those who had done great things were rewarded. May I point out to the Prime Minister (Mr. Bennett) that the greatest Man who has lived in all time, now gone from the earth some two thousand years, had the reward only of crucifixion. He was not rewarded by titles; He was not rewarded by letters after his name, but the influence of the philosophy of love which He propounded has reached even to this date. May I say to you, Mr. Speaker, that when the Prime Minister speaking in Toronto referred to the Man of whom I am speaking as the lowly Nazarene, I was shocked.

The people of Canada are opposed to titles; we hear that everywhere in every province,

and I am submitting that that is a very good reason why the sovereign should not give titles in Canada. Of course, if I thought that those twenty-three women and seven men in Canada who only lately were given letters or title were so great in fame that the king himself knew of them—well, I should be very glad indeed. My opinion is that it is not the sovereign who gives titles, except in a nominal sense; actually it is the Prime Minister of Canada. The Prime Minister gave the names of titled people whom he thought it had been well to honour. May I give three more names, for the opposite reason. The Prime Minister was very much offended that in this debate about titles hogs should have been referred to, and that calls to my mind at once the name of Sir Joseph Flavelle. And what about Sir Herbert Holt? I am not so sure that Sir Herbert Holt stands very high in the esteem and admiration of his fellows. I think he is about as good an example as I can think of at the moment of an argument against the giving of titles.

Mr. BOURASSA: But not against selling them.

Miss MACPHAIL: I hope if he bought it he paid a good price for it, because he has a lot of money which does not morally belong to him. Then, Lord Atholstan is another Canadian who has been given a title. These three examples have not inclined the people to look more kindly upon the conferring of titles in Canada.

Some hon. MEMBERS: Question.

Miss MACPHAIL: I have only one more sentence to add. The time for the restoration of titles in Canada by those who wish them could not have been more ill chosen. The Prime Minister has spoken glowingly about people living in comfortable homes and having decent salaries for themselves—although he did not elaborate too greatly on that point—having gone out into the slums having done what they could to relieve the suffering of the people there. I am not so much interested in those people, although I am thankful for their work. I am interested in the people who live in the slums. If we are going to honour any in Canada none is more deserving of it than are the mothers and fathers of families on relief who have striven to uphold the morale within their families, and have tried to keep their children looking towards a much better life.

My reason for opposing titles is that usually the wrong people get them. If the right people receive honours, those honours are given to only a few of them, because it would not be possible nor is it necessary to give titles to all in Canada who are deserving of them. The more deserving they are the more likely they would be to resent the conferring of titles upon them.

Hon. C. H. CAHAN (Secretary of State): Mr. Speaker, I intend to confine my remarks to a statement made by the right hon. leader of the opposition (Mr. Mackenzie King) who is just now leaving the chamber. The right hon. gentleman has complained about the restoration of titles in Canada, after the resolution of 1919. May I say to him that when he accepted the highest titular distinction, or at least one of the highest, that can be bestowed by His Majesty on the advice of His Majesty's Privy Council in England, namely the titular distinction of "right honourable," which he accepted in 1922, he was one of the first to restore titles in Canada after 1919.

Mr. MACKENZIE KING: I think the minister knows that the resolution of 1919 distinctly excepted "honourable" and "right honourable."

Mr. CAHAN: If the resolution of 1919 excepted "right honourable" this resolution does not. The resolution now before us does not except even the distinction of "honourable." The title "honourable" which is given to privy councillors of Canada, to lieutenant governors and to others is given by the prerogative right of His Majesty on the advice of the government. If the resolution we are now discussing is passed in its present form, precluding the recommendation of the granting of titles to Canadians, then the titular distinction "honourable," which is a title given to privy councillors and to lieutenant governors, must go. If titles are to go, let us have no doubt as to the meaning and purpose of this resolution.

Some hon. MEMBERS: Question.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, I desire simply to take a few minutes of the time of this house hoping that then we may have a vote as quickly as possible. My purpose in rising is, if possible, to clear the air in regard to this resolution. I now understand clearly that with the exception of a few hon. gentlemen on the government side of the house this House of Commons is definitely opposed to the conferring of titles. But the resolution in addition, raises the question of doing away with minor awards and honours. I therefore propose to move:

That the resolution be amended by striking out the words, "honours and awards" in the third line.

While I am on my feet I desire to avail myself of the opportunity to refer to what I regard as a specious and passion creating speech of the Prime Minister. I think it regrettable that he adopted the tone that he did. Why should we not advise the government? As members representing the interests of our constituents is it not our duty in this House of Commons to tell the government and the Prime Minister what the will of our people is in respect of this and of other questions. I think the Prime Minister went much too far when he took the ground that it was not our right to so advise the government in matters of this kind, or to put forward a resolution in the form of the present one.

Then he used the age worn argument that God did not make all men equal. But, neither did the Son of God raise to the peerage any of his humble followers. But upon one he conferred the highest end of man and that one was the thief who repented at the last moment. Since when has the government of the Prime Minister decided to award titles to repentant thieves.

Some hon. MEMBERS: Oh, oh.

Mr. GARLAND (Bow River): As far as the women about whom the Prime Minister waxed so eloquent are concerned, as the hon. member for Southeast Grey (Miss Macphail) has said, in the final analysis it was not the king who awarded the title; it was his prerogative to confer the title or honourable degree upon those to whom the award was recommended by the ministry. The plea was specious throughout. I contend that the granting of titles creates a special and distinctive class, a class of petty aristocrats, a class of a presumably higher quality and type than the rest of the citizens. It is quite possible that the original recipient of the title may be possessed of certain qualities which would bring to him the respect of his fellow citizens, but I do not think it can be said that those qualities continue on to subsequent generations. In this connection I should like to ask this question: If we have hereditary titles for general services, why not hereditary surgeons? Why not hereditary mathematicians? Why not hereditary poets? Why not have these professions honoured when the supposition is that qualities of merit are continued from generation to generation?

Then who is to be the judge of service? If it is to be the Prime Minister (Mr. Bennett), then I would reject his judgment. I ask the Prime Minister who would recommend him for a peerage. Would it be himself? I suppose he knows himself better than the rest of the country, but I should like to know.

I submit that those people in Canada who beyond all others deserve awards have not received them nor would have even if it had been possible to confer them at the time. I ask the Prime Minister what man has contributed more in our own day to the health, the happiness and the very lives of human beings than Doctor Banting, the discoverer of insulin. This discovery created a preventive and even a curative for diabetes, one of the dread afflictions of the human race. Of course upon its discovery insulin was made the property of the race, but has Doctor Banting been honoured in the latest list? He has a pension—incompatible with his social contribution.

An hon. MEMBER: He may be next time.

Mr. GARLAND (Bow River): He is the type of man who would least aspire to this sort of thing. His work was not done to receive such awards as these at the hands of the Prime Minister or anyone else. What man has contributed more to the material wealth of Canada than Doctor Saunders? This gentleman receives only a pitiful pension, very little more than a member of parliament receives. Where are his honours and high awards?

Mr. BENNETT: He received the C.M.G.

Mr. GARLAND (Bow River): So it goes all along. There may be a few who are justly deserving of the awards made recently, but I contend that the distribution of honours and awards constitutes a distinction and the setting up of a class. And to this I am opposed. However, since hon. members think that the granting of minor awards will not do any serious damage, I am quite prepared that this be continued rather than that the resolution be defeated. In connection with hereditary titles, I should like to draw the attention of the Prime Minister and my fellow Celts to these words:

Princes and lords are but the breath of kings,
"An honest man's the noblest work of God;"
And certes, in fair virtue's heavenly road,
The cottage leaves the palace far behind;
What is a lordling's pomp? a cumbrous load,
Disguising oft the wretch of human kind,
Studied in arts of hell, in wickedness refin'd!

Mr. McINTOSH: Burns knew them.

Mr. GARLAND (Bow River): Yes, Burns knew his lords. Like the hon. member who introduced this resolution, I happen to come from a country in which we know much of

the evil of lords. Burns knew them quite well when he said:

> The rank is but the guinea's stamp
> The man's the gowd for a' that.

And again:

> Yee see yon birkie ca'd "a lord,"
> Who struts, an' stares, an' a' that;
> Tho hundreds worship at his word,
> He's but a coof for a' that:
> For a' that, an' a' that,
> His ribband, star, an' a' that;
> The man o' independent mind
> He looks an' laughs at a' that.

The people of Canada look and laugh at a' that. If there is anything that will bring down upon the head of this ministry not only ridicule but loud and contemptuous laughter, it is the government's opposition to this resolution. Democracy was introduced into the world on the wings of those glorious words, "Liberty, equality, and fraternity." The government denies the idealistic principles of democracy when it deliberately opposes a resolution of this kind and attempts to press upon the people of Canada titular distinctions which will have the inevitable effect of wiping out fraternity, demolishing equality and making light of liberty.

Mr. MACDOUGALL: Could I ask the hon. member a question?

Mr. GARLAND (Bow River): I have only a few moments left, and I cannot give an answer now.

Mr. MACDOUGALL: Can you deny—

Some hon. MEMBERS: Order.

Mr. GARLAND (Bow River): It was asked of Christ who would be the greatest in the Kingdom of Heaven. He did not answer then but washed the feet of his disciples. Who among the lords would wash the feet of their disciples? Later on Christ said: "He that is greatest among you shall be your servant." In the words of the preacher, all is vanity and vexation of spirit.

The government now proposes to reintroduce into Canada through this means a reservoir of campaign funds such as that which caused a stigma and stench in the political life of Great Britain. After all, is it not an attempt of capital to bedeck itself in gaudy baubles and glittering gauds? We are to have knights, lords, dukes and earls thrust upon us. We will have none of it. The people of this great country are not going to go back to the dark ages whence this wretched form of feudalism came.

Mr. J. E. LAWSON (West York): Mr. Speaker, although I have great difficulty in appreciating the analogy between the scriptural references of the hon. member for Southeast Grey (Miss Macphail) and the hon. member for Bow River (Mr. Garland) I think I could, if I so desired, show how ludicrous are certain of their comparisons.

Mr. IRVINE: Mr. Speaker, I rise to a point of order. I understood that the hon. member who preceded the hon. member now speaking moved an amendment, and you have not put it.

An hon. MEMBER: It has not been seconded.

Mr. GARLAND (Bow River): Yes, it was seconded. I have written on the amendment that it is seconded by Mr. Spencer.

Mr. SPEAKER: Mr. Garland moves, seconded by Mr. Spencer, that the words "honours and awards" in the third line be deleted from the resolution.

Mr. LAWSON: Continuing from the point at which I was interrupted, I am always averse to treating scriptural references either with facetiousness or with humour; hence I shall not deign to reply to that part of the statement of the hon. member. When the hon. gentleman, apparently in support of the argument which he is making, uses such general terms as "liberty, equality, and fraternity," a mere grouping of words, I cannot help but pause to point out how inapplicable they are. What is liberty? Not the right of licentiousness, not the right to do, each man as he may please, but the right of every man to exercise his own free will within certain well-defined limits prescribed by the state. And so, Mr. Speaker, I am completely at a loss to understand in what way the conferring of titles or honours or awards can have anything on earth to do with the question of liberty; and if it were not that I do not wish to delay the house I should likewise discuss equality and fraternity.

Now I hope that my hon. friends of the official opposition will not interrupt me with their calls for votes, because I assure them that if they do I shall postpone the time of that vote as long as possible, and if they do not I think I can express my views in ten minutes. I must confess that I am beginning to be a little fed up, if I may use the vernacular, with the attitude of some of my hon. friends opposite. When we had a bilingual currency resolution before the house, as soon as a few of us on this side desired to express some views, hon. gentlemen opposite were howling for a vote. When we had an unemployment insurance resolution before the house, a matter in which I and many others

on this side of the house are vitally interested, the former Minister of Labour got upon his feet and twitted us on this side with not speaking to the question; but he went ahead and spoke the full forty minutes, which took up until six o'clock and prevented the rest of us from expressing our views.

The amendment moved by the hon. member for Bow River (Mr. Garland) takes out of the question honours and awards, and I say without hesitation that I am favourable to the conferring of honours and awards. He still leaves us titles, and then he appeared to discuss the question as though titles meant solely hereditary titles. To my mind a title is anything which gives a man a right to have a prefix to his name other than the ordinarily accepted one of every gentleman, that of Mister, and with the possible exception of degrees conferred by universities signifying scholastic standing or something of that kind. I am one of those who are of the opinion that it is not well to create social distinctions among our people. Human nature of itself will create sufficient social distinctions; those of high education will probably not be fraternizing with those of little education. Those distinctions in social status which human nature creates we cannot avoid, I presume, but I am of the opinion that it is not well artificially to create social distinctions. On the other hand, I have a conviction which far supersedes the opinion I have just expressed. We are part and parcel of the British Empire. I have no hesitation in saying that I am an imperialist. I have always stood, and I trust I always will stand, for the maintenance of this empire. When hon. gentlemen in the past, since I have been sitting in this house, have come back from imperial conferences, and with eloquent words, sometimes with much enthusiastic desk pounding by their supporters, told us of all the increases in status which this dominion had gained, I never felt any great burst of enthusiasm, any lump in my throat, or any thrill running down my spine. If some hon. gentleman, a leader in this house, gets up on his feet and tells me what Canada has done to increase its stature in the British Empire by making, by some practical means, a contribution to the maintenance of this empire, I promise you I shall applaud him most enthusiastically.

Throughout this empire the king has a royal prerogative. He has the prerogative of conferring titles. Ordinarily that prerogative is exercised on the recommendation of the Prime Minister who, I assume, does so after consultation with his council. One of the great difficulties that we are facing in this country and in this house to-day is that so many people stand up and point out that in this, that or the other thing we have had some abuse, and instead of remedying the abuse they say, "Let us throw over the whole system, lock, stock and barrel." So far as I am concerned, if abuse there has been in the conferring of titles, then I say let us take adequate and proper means to remedy the abuse. But so long as this country is to remain part and parcel of the British Empire, so long as there is a tendency to reduce the links that bind us, I for one will not vote to destroy another link, and therefore I shall vote against the resolution and the amendment.

Hon. R. J. MANION (Minister of Railways): I wish to make just one or two observations on this question. The hon. member for East Hamilton (Mr. Mitchell) in introducing his resolution quoted from a speech which I made in parliament in 1918 when the house sat in the Victoria museum building. I have no criticism to offer with respect to my hon. friend's quotation from my speech on this question delivered at that time. I had very strong opinions sixteen years ago on this subject. Of course, opinions change as time moves, and though I do not intend to express to-day any different opinion from that which I expressed at that time, I do wish to point out that had my hon. friend gone further in the quotation which he read to the house he would have observed that in that speech I also made this point, that in critical times such as those through which we were then passing I did not consider it wise to vote against a government which was attempting to carry on the affairs of the country. Therefore, I voted with the government and I intend to do the same to-day, exactly on the same grounds.

Mr. BENNETT: I have one word to say about the amendment. If the amendment carries, lieutenant governors hereafter appointed are not to be called honourable. If the amendment carries, senators are not to be called honourable. If the amendment carries, members of the privy council are not hereafter to be called honourable.

Mr. MACKENZIE (Vancouver): Is that the amendment itself or the amendment as amended?

Mr. BENNETT: The amendment as it reads strikes out honours and awards. There is no amendment to the amendment; there is only one amendment. The official table issued

twenty years ago gives the table of titles to be used in Canada. The table of titles commences with His Excellency and Her Excellency. Every lieutenant governor, who at that time was addressed as His Honour, was thereafter to be called honourable; members of the privy council were to be styled honourable; senators were to be styled honourable, and so forth.

Just one other question that arises out of the amendment. Are we to understand that foreign principalities and powers may confer titles upon Canadians when their own sovereign may not? That is the other issue and it is a real one.

Mr. EULER: It is not a real one.

Mr. BENNETT: That issue is a real one and everything I said with respect to the right of my sovereign to exercise his prerogative on the advice of this government is applicable to what I have just stated.

Mr. MACKENZIE KING: I wish to say just a word with reference to what the Prime Minister has said. I cannot agree with him when he says that if the amendment carries, the result will be what he has stated. The resolution states:

> That, in the opinion of this house, the Prime Minister should refrain from recommending to His Majesty the King, the granting of titles, honours and awards to British subjects resident in Canada.

The titles to which my right hon. friend has referred, he, the Prime Minister, does not recommend at all. Those are titles that appertain to an office, that belong to the office as such. What the Prime Minister or the government recommends is the appointment of a person to an office and the title appertaining to it goes with it without any recommendation whatever. The only case in which this resolution as amended would apply is where the Prime Minister might wish to recommend that someone be given a title of knighthood carrying with it the prefix of "sir" before the name of the person receiving the title and carrying with it the right of his wife, if he has one, to assume the title of "lady." That is the meaning of the resolution as it is proposed to amend it, the Prime Minister's words to the contrary notwithstanding.

Amendment (Mr. Garland, Bow River) negatived.

The house divided on the main motion which was negatived on the following division:

[Mr. Bennett.]

YEAS

Messrs:

Ahearn	Irvine
Beaubien	Jacobs
Bertrand	Jean
Blair	Kennedy (Peace River)
Bothwell	King, Mackenzie
Boucher	Lapointe
Boulanger	Lucas
Bourassa	Luchkovich
Brasset	MacInnis
Brown	Mackenzie (Vancouver Centre)
Butcher	MacLean
Cardin	MacMillan (Mackenzie)
Carmichael	Macphail, Miss
Casgrain	McIntosh
Chevrier	McKenzie (Assiniboia)
Coote	McPhee
Cotnam	Marcil
Denis	Michaud
Deslauriers	Mitchell
Desrochers	Moore (Ontario)
Donnelly	Motherwell
Dubois	Munn
Duff	Neill
Dumaine	Parent
Elliott	Perras
Euler	Pouliot
Factor	Power
Fafard	Ralston
Ferland	Raymond
Fontaine	Reid
Fournier	Rhéaume
Fraser (Northumberland, O.)	Rinfret
Gardiner	Roberge
Garland (Bow River)	St-Père
Gershaw	Sanderson
Girouard	Séguin
Golding	Speakman
Gray	Spencer
Hall	Spotton
Hanbury	Taylor
Hanson (Skeena)	Thauvette
Heaps	Totzke
Heenan	Vallance
Hepburn	Veniot
Howard	Weir (Macdonald)
Howden	Woodsworth—94.
Hurtubise	
Ilsley	

NAYS

Messrs:

Anderson (Toronto-High Park)	Cahan
Anderson (Halton)	Cantley
Arsenault	Casselman
Arthurs	Chaplin
Barber	Charters
Baribeau	Cowan (Long Lake)
Barrette	Davies
Beaubier	Dickie
Belec	Dorion
Bell (St. Antoine)	Duguay
Bell (St. John-Albert)	Dupré
Bennett	Duranleau
Beynon	Edwards
Bourgeois	Embury
Bowen	Fiset Sir Eugène
Bowman	Fortin
Boyes	Fraser (Cariboo
Burns	Gagnon
Bury	Ganong
	Garland (Carleton)

Gordon	Robinson
Guthrie	Rogers
Hackett	Ross
Hanson (York-Sunbury)	Rowe
Harris	Ryerson
Johnstone	Senn
Laflèche	Shaver
Larue	Short
Laurin	Simpson (Simcoe North)
LaVergne	Simpson (Algoma West)
Lawson	Smith (Victoria-Carleton)
Loucks	Smith (Cumberland)
MacDonald (Cape Breton South)	Smoke
Macdonald (Kings)	Spankie
Macdougall	Sproule
MacLaren	Stanley
MacMillan (Saskatoon)	Stevens
MacNicol	Stewart (Leeds)
McGibbon	Stewart (Lethbridge)
McGillis	Stinson
McGregor	Stirling
McLure	Stitt (Nelson)
Maloney	Stitt (Selkirk)
Manion	Sutherland
Matthews	Swanston
Moore (Chateauguay-Huntingdon)	Tétreault
Morand	Thompson (Simcoe East)
Mullins	Thompson (Lanark)
Myers	Tummon
Peck	Turnbull
Perley (Qu'Appelle)	Weese
Perley, Sir George	Weir (Melfort)
Pickel	White (London)
Plunkett	White (Mount Royal)
Porteous	Willis
Price	Wright—113.
Quinn	
Rhodes	

Mr. GOTT: I have a general sessional pair with the hon. member for Kent, Ontario, (Mr. Rutherford) and I have refused to break my pair. Had I voted, I would have voted against the resolution.

Mr. MERCIER (St. Henri): I was paired with the hon. member for West Hamilton (Mr. Bell). Had I voted, I would have voted for the resolution.

Mr. GEARY: I was paired with the hon. member for Laurier-Outremont (Mr. Mercier). Had I voted, I would have voted against the resolution.

Mr. BRADETTE (Translation): I was paired with the hon. member for East Algoma (Mr. Nicholson). Had I voted I would have voted for the resolution.

Mr. MACKENZIE KING: May I ask the Prime Minister a question before we leave this matter? According to his interpretation of a private member's resolution the resolution applies only for the one parliament; it would not have been effective beyond the present parliament had it carried?

Mr. BENNETT: I should think that might be the construction placed upon it. I have not considered this resolution from that point of view, but a resolution of instructions given to the Prime Minister by this house, I should say, would have no force beyond the life of the parliament in which it was given, although it has been contended by hon. gentlemen opposite that that view is not correct. My view is that it does not extend beyond.

PUBLIC AND PRIVATE DEBT

PROPOSAL THAT GOVERNMENT TAKE STEPS TO REDUCE PUBLIC DEBT AND LIMIT EXPANSION OF PRIVATE CREDIT

Mr. JOSEPH JEAN (Maisonneuve) moved:

Whereas, the steady increase of the public debt and private debts in Canada constitutes one of the most serious obstacles to the economical restoration of the country,

Therefore be it resolved that, in the opinion of this house, the government should take immediate steps to reduce the public debt and limit the expansion of private credit.

Hon. E. N. RHODES (Minister of Finance): I have not had an opportunity to look into this, but I think, Mr. Speaker, upon examination you will find that this motion covers a subject which has already been dealt with by way of an amendment moved by the hon. member for Winnipeg North Centre (Mr. Woodsworth) to the address in reply to the speech from the throne. Having been debated once during the session, under the rules the subject may not be debated again.

Mr. LAPOINTE: Has the hon. gentleman the amendment to which he draws attention?

Mr. RHODES: I am trying to find it.

Mr. SPEAKER: I will examine the motion referred to; in the meantime if there is no objection the debate may proceed.

Mr. JEAN (Translation): Mr. Speaker, the aim I have in mind in introducing this resolution is twofold:

1. To respond to the desire often expressed by the public that concrete and forcible measures of economic and social re-establishment be enacted and

2. To contribute, in my humble way, to the research and carrying out of such measures.

Times are hard. Our social structure is battered on all sides. However, the crisis which has been of a very severe character, for over five years, has had the good effect of making people think. In the research of the causes which brought it on and the means to be taken to escape from its blows, the flaws of our economic system and the defects in our social structure, have been revealed to us. Knowing now these defects the people clamour for immediate redress.

Unfortunately the wheels of government do not revolve as rapidly as events. In the mind of our legislators, economic and social solutions are not clearly drawn, consequently, the measures to be taken are not definite.

A number of countries, such as Russia, Italy, Germany and the United States are, at present, separately experimenting on a system which may have practical results in their own field of activities; however, in Canada, we have not reached that stage of evolution. Hitherto, we simply resorted to expedients and urgent remedies most of which proved inefficient. The people realize the powerlessness of the methods followed hitherto, and that is why they clamour, not without cause, for the enforcement of new, and well defined measures, applicable to our national problems.

I do not intend to submit, to-day, a flawless scheme of a nature to entirely satisfy public opinion and redress the whole economic system of this country, were it adopted. I simply wish to, make a psychological and summary analysis of the economic doctrines which prevail throughout Canada; prove that we are, on the whole, following a policy which is contrary to the interests and requirements of the country and suggest some remedies, the future discussion of which will, perhaps, contribute to direct researches towards the realization of a national program of financial redress.

We have in Canada, at present, three well defined schools of thought on economic and social questions.

The first proclaims the efficiency of the capitalist system such as in practice for half a century and whose main objective is concentration of capital aiming at mass production, with a forced and unlimited consumption. It admits the present crisis but seeing that it is world wide, it believes that it was inevitable in Canada. Its motto is optimism and reliance in an improvement of conditions. It believes that, with its vast resources and wealth, our country will be one of the first to readjust itself, as soon as providence thinks proper to check the ills from which the world has been suffering for the last five years.

According to the teachings of this school, we have but to await events, without making any changes or correcting the defects in our social structure, although, at times, resorting to urgent remedies to calm the first symptoms of the crisis.

The second school proclaims the necessity of a radical change in the capitalistic system whose failure has become evident. It places all its hopes of salvation in a fuller intervention of the central authority which should assume all functions and responsibilities.

The means which it suggests consist mainly in the socialization of capital, industry, trade and agriculture. It does not state how all this will work out; however, the hopes of happiness which it visionizes facinates the masses, because with our democratic system, we must make some allowance for the doctrines which flatter these violent impulses of the masses even if they are known to be ill-founded.

Finally a third school contends that that the present capitalist system is not in itself wrong, but that it has become tainted, that the economic conditions have greatly changed owing to the progressive industrialization of the world; that capital abuses of its power and has set aside order by exploiting at will and for its own profit, industry, finance and the entire economic system; that reforms are needed without, however, upsetting the whole social order and that these reforms must aim at protecting the weak and the poor rather than the wealthy classes, which have less need of the public's protection than the other classes of society.

The large majority of the people—

Mr. SPEAKER: I have no desire to interrupt the hon. gentleman, but the Minister of Finance (Mr. Rhodes) has raised a point of order as to whether or not this resolution, as worded, can be considered by the house. The resolution reads:

> Whereas, the steady increase of the public debt and private debts in Canada constitutes one of the most serious obstacles to the economical restoration of the country,
>
> Therefore be it resolved that, in the opinion of this house, the government should take immediate steps to reduce the public debt and limit the expansion of private credit.

I find that on February 13 Mr. Woodsworth, seconded by Mr. Gardiner, moved as follows:

> We respectfully regret that Your Excellency's present advisers have not taken such steps as are necessary to deal adequately with unemployment, to reduce the burden imposed by the public debt, and to put the agricultural industry on a basis that will ensure to the farmer a decent standard of living.

A full discussion was had on that resolution, which contains the words "to reduce the burden imposed by the public debt" and, since the hon. gentleman's resolution has this reference to the public debt I cannot find that his resolution is in order. The question has been discussed by this house this session, and I therefore hold that the resolution now offered by the hon. gentleman is not in order and cannot be discussed.

MEDICAL EXAMINATION AND RELIEF

Mr. J. P. HOWDEN (St. Boniface) moved:

That, in the opinion of this house, the government should take into immediate consideration steps which would (a) provide for periodic medical examination of the Canadian people; (b) afford medical relief for those suffering from disease.

He said: Mr. Speaker, this is the third time this resolution has come before the house, and I see that even now it does not express the exact thought that was in the mind of the mover. I should like to insert the word "free" before the word "periodic" in the third line, so that the resolution will read:

That, in the opinion of this house, the government should take into immediate consideration steps which would (a) provide for free periodic medical examination of the Canadian people—

and so on. It has often occurred to me that there is need for a medium of approach between the medical profession and a large number of the citizens of this country. The expense of sickness holds no great terror for those who have money, for they are able to pay the costs. Similarly, sir, those who are indigent and simply canot afford to pay the cost of medical services are provided for by the open wards of the hospitals and by the free outdoor clinics, and it has always been a point of honour with medical men generally to see that the needy were provided with attention in times of sickness. But there is a very large class of citizens in Canada—and this matter has been mentioned before—who have been in the habit of meeting their obligations and maintaining their self-respect. These people prefer to employ their own medical men and pay for their services. Upon this class of people, one which embraces the vast majority of Canadian citizenship, the cost of medical services in times of long protracted sickness is a very serious consideration. There was a time when members of the medical profession designed not to name a fee. Possibly at this time doctors were supposed to possess superior intelligence and almost supernatural powers. For their services they received gifts and gratuities. Those were the early days of medicine, at a time when the field of medicine was limited outside of injuries and maternity cases, to fevers, humors and tumors. The therapeutic application consisted largely in blistering, bleeding and purging. Those therapeutic measures have survived to the present day, and are still effectual. However, since that time the medical profession has made very definite and rapid strides until to-day it has become a definite and intricate science. To acquire knowledge of medical learning long years of study are required and to keep abreast of the times, continuous study from day to day is necessary. I would express the belief that very few medical men of to-day could afford to take a chance on earning a livelihood through receipts of gratuities and gifts. On the other hand, it is necessary for them to charge fees, and we understand that medical fees have always been fairly high. Speaking of high medical fees I am not referring to those men who charge $25 or $50 for advice. I consider that, like the lawyer who may charge $1,000 for advice, they are parasites of society and one of the fertile causes of communism and revolution.

An hon. MEMBER: Where are they?

Mr. HOWDEN: I have heard of them. At this time, however, I am talking about ordinary medical fees running from $2 to $5 for office consultations, and about $3 for household calls. These are the fees commonly charged. I say to hon. members that in a family, the breadwinner of which earns only $2 a day and who is called upon to pay $3 a day for medical services over a considerable period of time, a hardship exists. For that reason I dare say in a great many instances sickness is, at least to some extent, neglected and is allowed to gain considerable headway before a medical man is called in. That, as hon. members will realize, is a very undesirable state of affairs.

I should like to approach the subject from another angle, namely, that sickness is always with us. Of those of us born into this life unfortunately some are born as imbeciles and morons. At the present time I am not giving special consideration to this class. There is however a class scarcely less fortunate, one born into this world with an inferior constitution and subnormal vital resistance, people who go through life as invalids. Then, we have those people who do not know they are invalids, and who have had very little to cause them to suspect any physical abnormality; I refer to those amongst others affected with tubercular trouble. It is estimated that about 80 per cent of humanity is either actively affected with tuberculosis, or have the disease lying latent in their systems. I fancy it would be safe to say there are many dozens or even hundreds of cases of incipient heart trouble and liver trouble which are not suspected and are not known. The number of people who give positive reaction to the Wassermann test for syphilis is appalling. That is the only word which could properly be used.

With these considerations in mind I was prompted in the year 1931 to bring before this

house a resolution along similar lines. Although not in exactly the same wording as the present resolution, it had very much the same meaning, and was as follows:

That, in the opinion of this house, a measure of federal state medicine would be in the best interests of the Canadian people.

On that occasion it was my endeavour to point out that the wealth of the world had been gained not by gold but by labour, and that labour could produce only with the aid of sound bodies and sound minds. I indicated that since Canada is a land of stern realities, it required men of sound physical and mental health. It was pointed out that a large share of the population was suffering from illnesses which cost our people many millions of dollars yearly. Through unsuspected illnesses constantly among us the health of many of our numbers was constantly being undermined.

The resolution was discussed at some length by sixteen or seventeen hon. members, most of whom, I believe, seemed favourably impressed with the resolution. On that occasion the Minister of Pensions and National Health said this:

But with respect to the general question, I have sympathy with the idea of medical treatment being provided in some organized way for those who require it. I do not suggest that it come under the dominion government. I am supporting and I am sympathetic with the idea that there should be a system of medical treatment in this country for those who need it. Whether it shall be provided by the provincial government, or by the federal government, or by a combination of the two, is a different matter.

So that even the Minister of Pensions and National Health realized at that time, as I believe he does to-day that it would be desirable if we could get medical treatment for those desiring and requiring it, who are unable to pay for it but who through personal self-respect are prevented from asking for it freely.

The hon. member for Medicine Hat (Mr. Gershaw) believed that such a condition would come about in time, but that if conditions were left as they then existed we would, in time, reach the desired haven. The Prime Minister (Mr. Bennett), however, took decided exception to the resolution and, if I remember correctly, pointed out that if adopted it would entail the entire disorganization of the medical profession, and that there would be trouble between the provinces and the dominion in connection with the control of medical services. I think possibly the right hon. gentleman thought that the cost would be rather excessive. At the time I was inclined to think, although I may have been wrong, that he believed that many of his supporters were ready to give this measure their favourable consideration. However, he gave directions as to what should be done and the resolution was voted down by the government. The following year the matter came up in a rather different form, the same form as it appears to-day, namely:

That, in the opinion of this house, the government should take into immediate consideration steps which would (a) provide for periodic medical examination of the Canadian people; (b) afford medical relief for those suffering from disease.

On that occasion the resolution came up well on in the evening, and there was only time for the Minister of Pensions and National Health (Mr. MacLaren), the hon. member for East Calgary (Mr. Stanley) and the hon. member for Kingston (Mr. Ross) to respond. I pause to say that the hon. members for East Calgary and Kingston made very excellent addresses. I think I am right in stating that they both agreed with me in that they felt that the services already given the Canadian people could be correlated under federal control and that if that could be done and the provinces brought together in a common standard, it would be a desirable condition. I must not say that the hon. gentlemen agreed with me further. The position taken by the minister was similar to that taken the year before, except that he pointed out there had not been any great demand for periodic medical examination. He stated that those who could afford such examinations or had them available made little use of them. As I said, the motion came on well in the evening and did not receive very much consideration.

Mr. BENNETT: I might say that no direction was given to the party to the right except such as they may have taken from the observations I made.

Mr. HOWDEN: We will leave it at that. I should like to appeal to the Prime Minister to afford if possible an opportunity of completing this discussion. We have not had an opportunity either this year or last year.

Mr. BENNETT: The motion was called once and passed. I can give no further assurance to the hon. gentleman.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, March 15, 1934

The house met at three o'clock.

GOVERNOR GENERAL'S SPEECH

ACKNOWLEDGMENT OF ADDRESS IN REPLY

Mr. SPEAKER: I have the honour to inform the house that I have received a message from His Excellency the Govenor General, signed by his own hand, reading as follows:

I have received with great pleasure the address you have voted in reply to my speech at the opening of parliament, and thank you for it sincerely.

Bessborough.

Government House,
Ottawa, March 15, 1934.

PETITIONS

On the orders of the day:

Mr. OSCAR L. BOULANGER (Bellechasse) (Translation): Mr. Speaker, I beg to lay on the table of the house petitions from the municipal councils of Ste. Satine and St. Nérée, in the county of Bellechasse, and from the municipal council of St. Jean Chrysostome, located in the county of Levis and the consituency of Bellechasse, requesting the government not to levy a tax on leaf tobacco.

On the orders of the day:

Mr. P. A. SEGUIN (L'Assomption-Montcalm) (Translation): Mr. Speaker, I beg to lay on the table of the house resolutions from the municipal councils of St. Joachim, St. Henri de Mascouche and the parish of St. Lin, in the county of L'Assomption, strongly protesting against a tax of 20 cents per pound being levied on leaf tobacco.

BIRTHDAY OF MR. R. S. WHITE

On the entry of Mr. R. S. White, this being his seventy-eighth birthday:

Some hon. MEMBERS: Speech.

Mr. R. S. WHITE (Mount Royal): Mr. Speaker, this is a very great privilege and, I fear, a very great departure from the rules of the house. None the less, if you will permit me, I should like, from the bottom of my heart, to thank my friends in this house who, I am pleased to believe, are almost as numerous on one side as the other, for the compliment they have paid me to-day. While I am a strong party man, I hope I am broad enough in my views to realize that those who differ from me have precisely the same right to their opinions as I have to mine and when not engaged in an election contest, indeed I go so far as to say that when engaged in an election contest, I greet my friends of opposite opinions with the same cordiality as I do when the battle has ceased. I thank you all most gratefully and sincerely.

74726—95½

QUESTIONS

(Questions answered orally are indicated by an asterisk).

EMPLOYMENT OF AGRICULTURAL STUDENTS ON EXPERIMENTAL FARMS

Mr. BOUCHARD:

1. How many agricultural students were employed as students at the different experimental farms, experimental stations and experimental sub-stations of the dominion during the the year 1933?
2. What was the distribution of these students as regards the different provinces where they were employed?
3. How many agricultural students received work at the central experimental farm (Ottawa) during the summers of 1930-31-32-33?

Mr. WEIR (Melfort):

1. None.
2. Answered by No. 1.
3. 1930, 26; 1931, 39; 1932, 35; 1933, 30.

QUESTIONS PASSED AS ORDERS FOR RETURNS

BUREAU OF STATISTICS STAFF

Mr. ST-PERE:

Referring to the statement tabled by the Hon. Minister of Finance on February 26, containing the statement that 278 employees had been added to the staff of the bureau of statistics during the year ending March 31, 1933.

1. Were those employees appointed by the civil service commission?
2. If so, has the civil service commission followed the list of eligibility according to rank of candidates?

Mr. CAHAN: Return tabled herewith.

"CANADA, 1934"

Mr. YOUNG:

1. How many copies of "Canada, 1934" were printed?
2. What was the total distribution?
3. Of this total, how much was in bulk sales and how much in individual distribution?
4. Is the price for bulk sales the same as for individual copies; namely 25 cents each?
5. What does it cost the Dominion Bureau of Statistics to prepare and publish this booklet, and how does this cost compare with receipts?

Mr. CAHAN: Return tabled herewith.

ROYAL COMMISSION ON BANKING—COST

Mr. BOTHWELL:

1. What was the total cost of the royal commission on banking and currency in Canada?
2. What amount was paid as: (a) remuneration; (b) expenses, to the chairman, each commissioner, the secretary, the assistant secretary and the stenographic staff?

3. How many copies of the report were printed, and what was the cost of printing?
4. How many copies were sold and how much realized from the sale?

Mr. CAHAN: Return tabled herewith.

SENIOR EGG INSPECTOR, PROVINCE OF QUEBEC

Mr. FERLAND:

1. Did the civil service commission advertise an examination under No. 22855, during the month of September last, for a promotion to the position of assistant senior egg inspector for the province of Quebec?
2. Should this position be filled by a bilingual person?
3. Who are the candidates who made application to take part in this examination?
4. Where and when were the examinations held?
5. Has the civil service commission appointed Mr. A. R. Hedgecoe to fill the position of assistant senior egg inspector for the province of Quebec?
6. If so, on what date?
7. Who recommended Mr. A. R. Hedgecoe?
8. Is Mr. A. R. Hedgecoe bilingual?

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

Hon. ROBERT WEIR (Minister of Agriculture) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That, it is expedient to bring in a measure to improve the methods and practices of marketing of natural products in Canada and in export trade, and to provide for a dominion marketing board, the remuneration of the members thereof and of assistants and employees, and to authorize payment to the board of such sums of money as may be necessary for the purposes of the proposed legislation.

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

Motion agreed to.

UNEMPLOYMENT AND FARM RELIEF

Mr. Gordon moved that the house go into committee at the next sitting, to consider the following proposed resolution:

That, it is expedient to introduce a measure respecting relief measures generally similar in terms to the Relief Act, 1933, but which also makes provision for payment of Federal proportion of delayed relief accounts, if any, which may be received subsequent to the date of the expiration of said act.

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

BUSINESS OF THE HOUSE

EASTER ADJOURNMENT AND DATE OF BUDGET

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Might I ask the Prime Minister if the government has given any consideration to the question of the Easter adjournment? I think some hon. members would like to make their plans at the earliest day possible.

May I also ask if it is the intention of the Minister of Finance to bring down the budget before the Easter recess, or after, if he is in a position to say?

Right Hon. R. B. BENNETT (Prime Minister): I had intended to speak to the right hon. gentleman this afternoon after the house went into committee concerning the Easter adjournment. If it meets with the general acceptance of the house it is proposed to adjourn either on the Wednesday or the Thursday night preceding Good Friday, and to reassemble on the succeeding Monday week.

The budget will be delivered after the recess.

ST. LAWRENCE WATERWAY

On the orders of the day:

Mr. E. J. GARLAND (Bow River): I desire to ask the Prime Minister whether in view of the action of the United States Senate in respect to the St. Lawrence waterway treaty he has any statement to make to the house.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I have prepared a short statement to make to the house with respect to the St. Lawrence Seaway treaty.

Yesterday the Senate of the United States voted against the ratification of the St. Lawrence Seaway treaty made between the United States and Canada and signed on the 18th day of July, 1932. Therefore, the treaty will not come before the parliament of Canada for consideration.

I regret the action of the Senate for many reasons, not the least being that I have looked upon the development of the St. Lawrence seaway as the manifestation of the will and the capacity of two sane and peace-loving countries to join fairly and freely in an enterprise of profit to them both. At this time in the world's affairs, when good neighbourliness is so important a factor in the great international adjustments that are taking place throughout the world, I had felt that the example of mutual trust and confidence set by these two great countries might have proved an impulse and a guide to better international relations on other continents.

I have supported the development of the St. Lawrence seaway as my predecessors in office, the Right Hon. Sir Wilfrid Laurier and the right hon. leader of the opposition supported it, because I believe that it would be a constructive and forward step. I have supported it also because I believe that it would be a measure from which all classes of the community would profit. I have grown to think of this St. Lawrence seaway as in fact the people's seaway, devised and built to serve them, to bring the west nearer to the east, to make more profitable the work of our agriculturists, and to provide employment in a period of universal depression.

I have no desire to comment on the reasons why the treaty has been defeated in the United States, and there is no purpose now in attacking the interests in our own country who have seen fit to join with similar interests in the United States that have succeeded for the moment at least in defeating this seaway development.

CANADIAN NATIONAL RAILWAYS

USE OF CANADIAN PACIFIC TRACKS AND PREMISES AT QUEBEC—POOL TRAINS

The house resumed from Monday, March 12, consideration in committee of Bill No. 25, to ratify and confirm an agreement respecting the joint use by His Majesty and the commissioners of the transcontinental railway of certain tracks and premises of the Canadian Pacific Railway Company at Quebec—Mr. Manion—Mr. Sullivan in the chair.

On section 1—Agreement and supplementary agreement ratified.

Mr. WOODSWORTH: It is absolutely impossible to hear a word in this corner.

Mr. POWER: May I ask if the minister has made inquiry from the officers of the railway regarding the matters that I brought to his attention last week when this bill was introduced?

Mr. MANION: Yes, Mr. Chairman, I inquired, and I find that there is nothing in the agreement that in any way conflicts with the statements I made previously. My hon. friend pointed out, I remember, that the trains now being, as he expressed it, Canadian Pacific trains, the Canadian National trains being taken off, there might be need for some modification in the provisions of the agreement. I overlooked pointing out at that time, as I should have done, that the pool trains of course are not Canadian Pacific trains but pool trains, in other words as much Canadian National as Canadian Pacific, the equipment of both roads being used in them, and of course whatever profits or losses accrue on those trains are divided between the two railways.

My hon. friend also made some suggestion that for the same reason there might now need to be some modification in the terms; but I am informed, though I did not know at that time, that the original agreement was made on a wheelage basis, in other words they pay as they use, so to speak. In addition to that, the Canadian National will operate many trains out of that station; trains to Lake St. John, for example, and along the national transcontinental to Cochrane, besides the one to Charny. There are two or three sets of trains, I think there is another that I have not mentioned, but my hon. friend knows the railway geography of that section better than I do and can doubtless fill in the blank if there is one. At any rate they still utilize the station as they did in the past, and the pool trains are divided between the two railways.

Mr. POWER: I wonder if the minister could give us some further information regarding the trains it is proposed to run from the Canadian Pacific terminals over the Canadian National tracks to Charny in order, as I understood his statement some time ago, that there might be a connection between the passenger trains running down the south shore, the maritime express and the ocean limited, and the city of Quebec. The minister will recall that some time ago, in answer to a question asked by the hon. member for Quebec East (Mr. Lapointe), he stated that arrangements were being made or had been made to provide for a connection between the Canadian Pacific station in Quebec and the trains running along the south shore to the maritime provinces. Has the minister any further information to give?

Mr. MANION: No, I do not think I have anything further than I gave the house at that time. A connection is being arranged with the maritime express and the ocean limited, which run down the south shore. There is a connection being arranged from Charny station into the Palais station in Quebec so that those who wish to use those trains may make connection either in that way or by the Levis ferry. Other than this I do not think I can add anything to what I said the other day.

Mr. LAPOINTE: I can give the information to my colleague from Quebec South; I have seen the connection. These three trains which ran between Quebec and Montreal on the Canadian National have been taken off, and the only two trains on the Canadian National which serve Quebec to some extent but do not go to Quebec are the ocean limited and the maritime express, on the south shore of the St. Lawrence river. Of course in winter time no one in the city of Quebec would cross the river to take these trains in preference to the Canadian Pacific trains on the north shore. The minister said a connection was being arranged at the Quebec bridge, at Charny station, with one of those trains, the maritime express. That connection is made by a motor car with a Diesel engine; part of the car is occupied by the engine and the other part contains passenger seats. If my hon. friend thinks the travelling public of Quebec city are going to use that motor car to connect with the maritime express on Levis instead of using the Canadian Pacific trains he does not know the population of that city. In addition to that, the maritime express is a slow train which stops at every station and which does not give the service that was given by the trains which have been eliminated, and which is being given by the Canadian Pacific trains.

There is a further consideration. The fast Canadian National train in the afternoon took four hours and a half to go to Montreal, and I have been told by Canadian National railway officials that it could easily cover the distance in four hours. This train has been cut off, and the fastest Canadian Pacific train takes ten minutes more; its time is four hours and forty minutes, so the time is prolonged in comparison with the Canadian National trains.

I should like to direct my hon. friend's attention to one or two other features of this arrangement. How about people from Toronto or Ottawa who want to go to Quebec city? The trains between Quebec and Montreal may be pooled as far as the revenues are concerned, but do you think the people from Toronto will travel by Canadian National from Toronto to Montreal and then change to Canadian Pacific?

Mr. MANION: They cannot do that; they have to travel by pool trains.

Mr. LAPOINTE: All the trains are not pooled.

Mr. MANION: All the good trains are pooled.

[Mr. Manion.]

Mr. LAPOINTE: They might be coming from other centres; I said Toronto, but we might take Windsor or any other place. They will not travel by Canadian National to Montreal and then change from Bonaventure station to Place Viger station when they can travel Canadian Pacific and spare themselves the necessity of changing at all. Then there is another feature, to which my attention has been directed by a railway official who knows something about railway matters. When people travel by one railway they also send their freight by that railway. When they become accustomed to travelling on one road you will not find them travelling on that road and sending their freight or express by the other road. I think the Canadian National are getting the worst of it and have made a very bad bargain with regard to Quebec city and the surrounding district. The situation is the same with regard to intermediate stations; the people on the south shore cannot travel by the Canadian Pacific on the north shore, and there are all sorts of objections to this arrangement. I must say that I frequently receive letters from the employees of these lines; they are not marked private and confidential, and the writers are quite outspoken, but I would hesitate to make those letters public. On behalf of the people in Quebec city whom I represent I protest against this arrangement.

Mr. MANION: In the first place my hon. friend uses the expression "Canadian Pacific trains" from Montreal to Quebec, but they are not Canadian Pacific trains at all; they are pool trains, and whatever profits or losses may be made on those trains are made by both companies mutually. The arrangement was made by the managements of the two companies without consulting me in any way, and I do not know that I could have been of any assistance if they had done so, because it is a railway matter. The figures I gave the other day in reply to a question dealing with this very matter showed that the Canadian National, far from losing by the deal, claimed that their condition had been improved, and I gave the figures of their earnings for the last two months. These figures showed that the traffic gain by the Canadian National in the past two months has been greater than the traffic gain by the Canadian Pacific. Unfortunately I do not happen to have it with me, but this morning I received from the railways a later report than the one I gave a few days ago showing that the increase in traffic up to a more recent date also showed

that the percentage of gain by the Canadian National was greater than the percentage of gain by the Canadian Pacific.

I hope my hon. friend will not think I am attempting to lecture him or anyone else, but I should like to point out to the members of the committee that one of the great problems in our country to-day, as we all know, is the railway problem, which includes the Canadian Pacific as well as the Canadian National. Last year this house, in its wisdom, passed the Canadian National-Canadian Pacific bill, which instructed—and I think rightly so—the two railways to cooperate with the object of effecting economies. If every time something is done by the two railways in an attempt to carry out that instruction the section of the country affected protests, it seems to me it is going to make it very difficult for the railways to economize. My hon. friend is no exception; from every section of the country where an economy is effected by the pooling of trains protests pour in upon me, though I have nothing to do with the arrangements. As a matter of fact two-thirds of the very poolings to which reference has been made took place from six to eight months or a year ago. The only one that was new was the one that affects my hon. friend and his section of the country. The pooling between Ottawa and Toronto and Montreal and Toronto took place some months ago, in fact some months before the present trustees were appointed. That is, the poolings as a matter of fact took place before the legislation of last year. But in view of that legislation and in view of the general opinion expressed everywhere in Canada that there should be cooperation of one kind or another between the two railway companies, in order to avoid duplication, extra expense and losses which are obtaining, I repeat that it is not advisable for all of us, even although our sections may be somewhat affected, to protest against the changes in the trains. I believe everyone in Canada who has taken any interest in the railway situation has, for years, been pointing out these duplications. Ever since I came into this house there has been a succession of protests from hon. members who take an interest in the railway question about the number of trains running between Montreal and Ottawa, Ottawa and Toronto and Montreal and Toronto.

To-day the railways are attempting to correct that duplication, and so far as I am concerned, though their action may occasionally affect some of us unpleasantly, it seems to me that in view of the seriousness of the railway situation we should give some support to the railways in their efforts. My hon. friend points out that under the changed system he cannot travel as rapidly. I understood him to say that by using the C.N.R. trains between Montreal and Quebec a faster trip could be made. I do not know whether he meant that the trip could be made more quickly than it can now be made through the use of a pool train.

Mr. LAPOINTE: Yes it can.

Mr. MANION: My hon. friend has stated that that is so. Perhaps it is, although if what the hon. member has stated is the fact I am a little surprised that the arrangement should have been so made. It was pointed out to me, as I explained in the house only a few days ago that the reason the C.P.R. was chosen was that 80 per cent of the passenger traffic between Montreal and Quebec had travelled by C.P.R. I believe that would be natural, because it would not be convenient for people to cross over from Levis on the ferry.

But, to get back to the question of speed. Are we not in this day and generation a little too anxious for speed? My impression is that had there been less speeding on the railways, in automobiles and in other ways the world might be as happy as it was a few years ago, or certainly not less than it is to-day. I believe the matter of getting between two stations in fifteen or twenty minutes less time is not of great importance to my hon. friend or to myself. I say that without any reflection upon him in anyway.

Mr. LAPOINTE: Does not my hon. friend think that, if three trains are eliminated at least one should run on the C.N.R. and the two others on the C.P.R., instead of leaving the three trains on the C.P.R. and taking them away from the C.N.R.? Between Ottawa and Montreal and Toronto and Montreal there has been a sharing in the pooling, but between Montreal and Quebec the service is all given to the C.P.R. The minister has said that the revenue would be divided, but does he not believe that it would be fair to leave at least one of the trains running on the C.N.R. and to take one away from the C.P.R.?

Mr. MANION: Quite possibly it would be, but I was not consulted in this arrangement. The arrangement was made by the present trustees and management of the Canadian National railways and the present management of the Canadian Pacific Railway. Until the matter was brought to my attention by my hon. friend I did not know that it was to be put into effect on March 11. I am not a railway man; neither are any of

the government members, and we are not consulted any more than was the late government consulted in connection with the running of trains. No government has been consulted in those matters. While my hon. friend may have some justification for the remarks he has just made, at the same time the arrangement was made by the managements of the two railways with the conviction that they were making the wisest arrangement for the two railway companies. They gave proof of their contention the other day in the statement which I gave to the house; they showed that they were going to make considerable economies, if the pooling between Montreal and Quebec were combined with the pooling between Ottawa and Toronto and Montreal and Toronto. They claim that on those three poolings, including the service to Quebec, which is the only recent one, they will make a saving of $500,000 a year, each. I would say that certainly those savings are badly needed. I am sorry if the railway managements have put into effect poolings which inconvenience some hon. members and other people affected, but such cannot help but be the result at least to a certain extent. I do not believe either management would agree to put into effect any pooling arrangement which would seriously affect anybody. That is my feeling about it, and I think the best this House of Commons can do is to accede to those schemes which the two managements consider to be wisest, and which will effect economies for both roads.

Mr. POWER: May I suggest to the minister that he request the management of the Canadian National Railways at least to reconsider this matter. As has been pointed out by the hon. member for Quebec East all the so-called C.N.R. trains have been cancelled. I quite understand what the minister has said, and I know he is speaking in good faith when he states that when these trains are pooled the expenses, profits, losses and everything else go into one pot. Nevertheless in the minds of most Quebecers—and Quebec is a small town away down at the end of the line—these trains being operated are C.P.R. trains. They are running at the hours formerly used by C.P.R. trains, and those trains running on the former C.N.R. schedule have been cancelled. The public impression is that there are no more C.N.R. trains, and my submission is that such a condition will prove detrimental to the freight traffic of the Canadian National railways. I suggest that perhaps the two managements did not take that factor into consideration. I understand, of course, that savings will be effected by the pooling of trains, and that probably the managements were perfectly justified. I do not know whether they were or not, but in all seriousness I do submit that in as far as the city of Quebec and the surrounding district is concerned, namely the north shore district, if this pooling system continues, within a period of only two or three years there will be little or no freight traffic going over the Canadian National railways.

Mr. MANION: Of course, this bill has nothing to do with the pooling of trains, but has to do with the terminal in Quebec. However, we are in committee and I have no objection to this discussion. I shall be very happy to accept the suggestion of my hon. friend and draw to the attention of the managements of both roads for their consideration the statements made here this afternoon. That is the best I can do.

Mr. RINFRET: This bill serves to illustrate the difficulties which both railway companies will always encounter so long as they desire to remain in competition and at the same time exert some kind of cooperation. Last year for an obvious reason I did not take part in the debate on the railway bill, but if I had I would have pointed out that it was next to impossible for two large companies at the same time to be in competition and in cooperation. Only a few days ago I pointed out to the Minister of Railways and Canals the situation existing between Ottawa and Montreal. Although this matter is not covered by the legislation now under consideration, I think it might properly be stated. May I add that the railway companies have been very considerate. Both companies sent to my office in Montreal high standing representatives to discuss the matter with me, and the committee may be interested to know that as regards the service between Ottawa and Montreal both companies took exactly opposite views to those they had taken in connection with the service between Montreal and Quebec. They represented to me that both the C.P.R. and the C.N.R. had to maintain trains not only to reach Montreal but to serve intermediate stations in the different districts. They pointed out also that it would not be fair to either company if it were asked to withdraw its trains from that service, and leave it altogether to the remaining company. Apparently they did otherwise in regard to Quebec. They took away all the C.N.R. trains, disregarding the intermediate stations, and they maintained two or three C.P.R. trains. I desire to accept the views expressed by the hon. member for Quebec East to the effect

that if a service is abandoned or taken off there is likely to be reaction against the other company, not only at that point but in Canada generally. I do not wish to press my views on this bill, but I want to take this occasion to say in a general way that so long as the companies maintain the spirit of competition and at the same time endeavour to arrive at a certain degree of cooperation, there are bound to be these difficulties, and I repeat that the stand of the companies as regards the service between Montreal and Ottawa is directly opposite to that taken in regard to the service between Quebec and Montreal.

Mr. MANION: In reply to that, may I offer this suggestion as it has been put to me? So far as both railway routes are concerned the territory between Ottawa and Montreal is much more densely populated than is the territory through which the Canadian National runs from Montreal to Quebec. It has also been put forward to me that the Canadian Pacific route from Montreal to Quebec does run through a thickly populated section while the Canadian National road does not. But between Ottawa and Montreal both railways run through fairly densely populated sections of the country. I point that out as it has been pointed out to me in explanation of the situation.

Mr. LAPOINTE: But that argument would not apply to fast passenger trains stopping at only a few points.

Mr. RINFRET: I admit that that was the stand taken by the companies, that there should be no pooling of services between Ottawa and Montreal unless a train in addition to the present service was run because they wanted to serve the intermediate stations. They also pointed out to me that it would not be fair to ask either company to pool either the whole or part of its service between the two cities because it would react against that particular company. That is the very situation that is being pointed out by the hon. member for Quebec East, that if the Canadian National is taken off the Quebec service it will react against that company.

I did not rise, Mr. Chairman, so much for the purpose of discussing this bill as of taking this opportunity to make known to the committee what had taken place between the companies and myself as regards the question I raised the other day. But I have no hesitation in stating now that in my humble opinion these efforts to pool and cooperate are bound to fail, and notwithstanding the action that was taken by the house last year I really believe that we shall come to a time when it will be necessary to have a very much stronger tendency to amalgamation than the house showed last year. I say that to-day there is not enough passenger traffic and there is not enough freight traffic in this country for two transcontinental railways. It is all right to arrange to cut off a train between Quebec and Montreal, or something like that, and I agree with the minister that there will be protests at once when a step of that kind is taken, but it is only postponing the day when the two companies will have to come much closer together than they are now and when we shall have to consider much more radical measures for remedying our present railway situation than these local arrangements which do not give satisfaction to anyone.

Mr. McGIBBON: Mr. Chairman, if I might have a moment—

Mr. PRICE: Mr. Chairman, I should like to say—

Mr. RINFRET: There will have to be a pooling of speeches over there.

Mr. McGIBBON: If that would do anything towards eliminating the burden of the railways upon the country it would be a good thing. I think, Mr. Chairman, that discussions of this kind are rather dangerous. It seems to me that we must do one of two things in connection with the railways. We must either leave the operation of these railways in the hands of the managements or we must make the minister responsible to the House of Commons and to the people for their operation, which would bring the subject of the railways into this house. That is the method that I prefer, and I said so last year, but the house took a different view. Nearly everyone who spoke at that time thought that the railways should be kept as far away as possible from politics. But this discussion, Mr. Chairman, brings the whole subject right back again into parliament.

I do not wish to speak of particular instances where complaint has arisen. There may be complaints. There are bound to be complaints. I agree with the last speaker that the day is coming when there must be a closer union between these two railways. I spoke last year in favour of cooperation under one company, not amalgamation, and I think I made myself quite clear on that point. It has been estimated by Mr. Beatty of the Canadian Pacific Railway, and we have also the authority for it of the hon. member for North Waterloo (Mr. Euler), who, if he was

correctly reported, said in a speech a little while ago that the late Sir Henry Thornton told him that $75,000,000 a year could be saved by joint operation.

Mr. EULER: Amalgamation.

Mr. McGIBBON: I do not think myself that they have to be amalgamated to get joint operation.

Mr. EULER: That is what they said.

Mr. McGIBBON: Very well. We shall this year have to vote out of the funds of this country probably $60,000,000 to carry on these railways, and that allows nothing for depreciation or future expansion. When you add a reasonable sum for that, I think I am safe in saying that these railways are costing this country from $75,000,000 to $100,000,000 a year. Can we afford it? In the Duff report the statement is made that 42 per cent of the mileage of these roads is doing less than five per cent of the business of the country. How can the railways be anything else but a failure until that situation is corrected? It means that we have to have elimination of services; there is no question about that. There is not enough business in this country in my opinion ever to support three transcontinental systems within the lifetime of any man now living.

But we have appointed three trustees to administer the railways. I did not like that plan, and I said so in the house last year. I do not like to see such a tremendous organization put into the hands practically of one man, for that is what it really means because the other two trustees are half-time men and are far secondary in influence to the chairman. But having adopted that system, if we are now going to bring the whole subject back into the House of Commons for each one of us to get up and criticize the trustees for what they are doing and have done, then in my opinion our last hope of saving this enterprise is gone. I am not hopeful that we can save it at all. In the last eighteen years this country has been spending on an average over $130 for every $100 it took in, and if you confiscated all the revenues of this country outside of the incomes that were exempt by statute, namely $1,500 and $3,000, we would not have enough money to pay the expenses of governments in Canada. If we took all the field crops of Canada for the last five years and doubled their value we would then only have about sufficient to pay the cost of governments, federal, provincial and municipal in this country to-day. On top of that, we have this railway burden.

I cannot see any light ahead at all. I can see nothing but a deficit of from fifty to seventy-five million dollars a year at least so long as any of us is living. I agree with the last hon. member who spoke (Mr. Rinfret) and with the hon. member for North Waterloo. I think most people in this country who have given this subject any thought believe that these two roads must be brought together in some way, and we must eliminate this mileage of forty-two per cent which is doing less than five per cent of this country's business. We must cut our overhead and curtail expenses because this country cannot, in my opinion, carry the debt it is carrying to-day and expect a return to prosperity.

I rose, Mr. Chairman, to say that I think we are wrong in criticizing the trustees who have been appointed and made responsible for the conduct of this enterprise. If you put responsibility upon them you must give them liberty and freedom to exercise their judgment. Otherwise it is not right to hold them responsible. I regret that the minister has said he would interfere.

Mr. MANION: I did not say I would interfere, I said I would direct the attention of the railway management to the discussion which has taken place to-day.

Mr. McGIBBON: That suits me much better. This problem is so serious that it deserves the earnest consideration of every man, both inside and outside this house, who is seeking a return of prosperity to this country when everyone can earn an honest and decent living and still have something left.

Mr. MACDOUGALL: Mr. Chairman, the men of the Canadian National Railways have made a greater sacrifice during this period of stress and strain than any other body of labour in the country. In justice to them I think we should try to find out whether the national railways have stood up during the last three years as well as the Canadian Pacific Railway. These employees have accepted a reduction of over twenty per cent in order to help Canada during a time of need. Instead of listening to Mr. Beatty prating, prattling and foaming at the mouth with his suggestions that the Canadian Pacific should absorb the Canadian National, we should do just the opposite. We should have a real national,—well, a national government.

Some hon. MEMBERS: Oh, oh.

Mr. MACDOUGALL: We have that. There should be a policy whereby these men who have sacrificed themselves under public ownership should be given the right to take

over private ownership in certain cases. There is no one who has more sympathy for the worker, there is no one more ready to speak on his behalf than I but the fact remains that there is not a Canadian Pacific worker who has made greater sacrifices than those employed on the Canadian National Railways. I have the record of this system under my hand, and I challenge any man in Canada to contradict the statement that the Canadian National Railways, through the loyalty of its workers, has held up better than the Canadian Pacific Railway.

Mr. LAFLECHE (Translation): Mr. Chairman, in the constituency which I have the privilege of representing a large number of employees of the Canadian National Railways look upon as contrary to their interests, the changes carried out following the reorganization of the train service of the Canadian National and the Canadian Pacific Railways between Quebec and Montreal.

I admit, sir, that the government has had no hand in this reorganization which was carried out by the higher officials of the Canadian National and Canadian Pacific Railways, however, on behalf of my constituents I wish to request the honourable Minister of Railways (Mr. Manion) to intervene, if necessary, in the interest of the employees of the Canadian National who reside in my constituency.

Mr. PRICE: Mr. Chairman, I should like to say a few words with regard to the railway situation and the condemnation there has been of the operation of pool trains. While certain economies have been effected by the pooling of passenger trains, we should not lose sight of the fact that the general traffic on the Canadian National Railways, particularly on the lines in the Atlantic region, has greatly increased. The shipments of coal from Nova Scotia, particularly from Cape Breton, during last year and this year up to date have been greater than ever before. The largest bituminous coal mine in America is now being operated in Cape Breton. Canadian National Railways are short of cars with which to handle the traffic coming from Cape Breton. Train crews that have been out of work for the last five years are now back on duty. Every man who had been dropped temporarily from the service is now back at work. A large number of railway shop men who were laid off in Moncton have been taken back but the men employed in the running trades, such as drivers, firemen, conductors, trainmen and roundhouse men, are all back in the service. The traffic in coal, in lumber and in fruit from the Annapolis valley has been enormous. The business of the Canadian National Railways in the maritime provinces is in a flourishing condition. Shipments from our excellent ports of Saint John and Halifax are greater at the present time than they were even during the war when large shipments of munitions and supplies were made to the old country. During the spring of 1933, the business in the northern region showed a great improvement. As a result of the trade treaties entered into by the present administration, large amounts of lumber have been brought up from Maine, as well as from New Brunswick, to be shipped from Campbellton. During that year the port of Campbellton enjoyed such business as it had never enjoyed before. During the fall of 1933, while these large shipments were passing through Campbellton, while twenty-nine large steamers were loading at that port, the leader of the opposition (Mr. Mackenzie King) and the hon. member for Restigouche-Madawaska (Mr. Michaud) travelled up and down the country preaching depression. There were certain things they did not wish to bring out; they did not mention the flourishing condition of the railways and the port of Campbellton. We now find the hon. member for Restigouche-Madawaska asking for grants to be placed in the estimates for the dredging of the Restigouche river. I have every sympathy with him in that connection but the fact still remains that at a time when conditions were in a healthy state and when much additional business was being done by the port of Campbellton, the hon. member and his leader insisted on preaching depression.

I should like to give the committee some idea of the amount of business done in the Atlantic region. There was an increase of forty-four per cent in general exports from Saint John up to March 1 this year as compared with last year; actual shipments were up forty-nine per cent; exports to South Africa had increased by forty-two per cent, while exports to India increased by almost four hundred per cent.

With regard to shipments, what has taken place this very year? At the end of February revenue cars loaded and received from connections in the Atlantic region show an increase of 10,791 over the corresponding period of the previous year. Cars loaded and received from such connections prior to February 28 last year totalled 22,234 and this year the number was 33,025, or an increase of 48½ per cent. I think, in all fairness to the Canadian National, it should be stated that with the subventions which are given on coal shipments from Cape Breton into Ontario

and Quebec and with the general increase in the lumber trade which has taken place as a result of trade treaties with Great Britain, there is very little to complain of at the present time.

Mr. MANION: Might I say just a word on a point of order? I should like to suggest that perhaps it might be well, for the sake of the business of the house, for all of us to keep a little closer to the bill. In mentioning that, I am not referring to any particular individual.

Mr. MICHAUD: I agree with what the Minister of Railways and Canals has just said. Since, however, the hon. member for Westmorland (Mr. Price) was allowed to stray from the straight and narrow path, I think I might be permitted for a minute to refute what that hon. member has just said, that the leader of the opposition and the present member for Restigouche-Madawaska were going through the district represented by that hon. gentleman and preaching depression. I think the house now understands the reason for the outcome of the election, namely, that the hon. gentleman travelled the same territory last fall and made statements just as accurate as those he has been making in this chamber to-day. Therein lies the explanation why the party he supports met such tremendous defeat. My hon. friend has been kind enough to give credit to the depression for my election. I shall be more generous; I shall give him instead of the depression 99 per cent of the credit for my success, because during that election he made statements just about as accurate as those he is making here to-day.

I never contended that there was no increase in business in that district, but to show how inaccurate are the statements that are made to-day, may I point out that my hon. friend mentions that lumber from Maine was carried over the Canadian National to be shipped at the port of Campbellton. It was only lumber from New Brunswick and that part of Quebec adjacent to New Brunswick that was shipped over that line.

I should like to say a word regarding the amalgamation of the two railways since this subject has been treated very elaborately this afternoon. I have no objection to any amalgamation or pooling to save expense and to try to make a better showing, but the pooling should not be made always in favour of the Canadian Pacific. We have a glaring example of this in the fact that wherever there is danger of the Canadian Pacific losing out, the pooling is not looked upon very favourably. In New Brunswick there is a section of road thirty-five miles long where the two railways run parallel within one hundred feet of each other and pooling should be done. If the Canadian National railway line were used, this would eliminate twenty overhead crossings over the trans-Canada highway. Yet the interests do not feel like pooling the running rights over that district because it is claimed it will injuriously affect the future of the Canadian Pacific in that section since, by running over the Canadian National railway, the traffic will eventually remain with that company. When it is in the general interest of the public to abandon one line or the other in a particular district, the whole matter should be viewed fairly and either one line or the other should give in.

Mr. PRICE: If the hon. member for Restigouche-Madawaska is of opinion that my statements were inaccurate in connection with the shipment of lumber from Maine, I suggest that he consult the Canadian National management and find out the facts, as I believe he is ignorant of conditions respecting the movement of freight traffic. If he will consult the Canadian National management, he will find that my statements are correct. A very large quantity of lumber was brought from Maine and shipped over the Canadian National to the ports of Canada. I think also he will find that the statements I made during the election campaign are borne out by the facts.

Mr. HEENAN: I should like to draw the attention of the minister to a statement he made the other day, obviously thinking he was right, because he was quoting Mr. Justice Fullerton, chairman of the board of trustees. This was in answer to a question by the hon. member for Quebec East, who quoted to the minister the number of employees that were being left out or laid off. The minister quoted from a letter by Mr. Justice Fullerton pointing out that ninety-six engineers, conductors, trainmen and firemen were affected by the pooling of those trains, but that they were not laid off, they just went back into other service, freight service, by the exercise of their seniority rights. That is not the correct situation. While it is true that those ninety-six senior passenger men reverted to freight and so on down the line, there were still ninety-six men laid off at the bottom of the list, and the statement made by the minister quoting the chairman of the board of trustees, left the impression, as I noticed in one paper from Winnipeg, that not one of the men lost his posi-

tion. That is a wrong impression to get out, because ninety-six men were laid off from the bottom of the list.

Mr. MANION: I did not contradict what my hon. friend says now; I simply quoted Mr. Fullerton as saying that the ninety-six men who had been laid off from passenger trains would "bump," as the railway men say, the men below them and probably go on to freight trains. Mr. Fullerton followed that up by saying that, due to increased traffic which has been showing itself to a large extent in the last few months—in fact it began about the middle of last year—most of the men who would be "bumped" would automatically come back to work.

Mr. HEENAN: But there would still be ninety-six men more who would not be employed.

Mr. MANION: I am not going to quarrel with that. I wish to say just two or three sentences in reply to some remarks that have been made. It would be a little unfortunate if the impression as implied in the speeches of some of my hon. friends, were sent out through the country that the Canadian National were getting the worst of these pooling deals, and that in some way the Canadian Pacific was improving its position and the Canadan National injuring its position.

Mr. GIROUARD: The trains are all leaving from the Canadian Pacific station.

Mr. MANION: My hon. friend is just making a general statement; it is not so. These pooling arrangements will in some cases be as in the case of Montreal and Quebec. In this case it appeared wise to the managements to carry on the service from the Canadian Pacific station and over their lines, but in other parts of the country it will be and has been decided to carry on the service by Canadian National. Pooling must be judged by the general results, not by some individual case. I submit with all respect that without doubt in all these pooling arrangements the Canadian National management is getting a fair deal. I do not think the Canadian Pacific management desire to give the Canadian National an unfair deal nor do I think the Canadian National management desire to give the Canadian Pacific an unfair deal. The aim is to attain economics for both. Unless there is an economy for both one or the other will refuse to go into the pooling arrangement. When both expect to gain by the movement they agree to pool.

I wish to deal briefly with one or two other points. One hon. gentleman said, if I understood aright, that as far as he could see, for years to come there was going to be a deficit on the Canadian National of from fifty to seventy-five million dollars a year. I think those were the figures he used. I am not so pessimistic as that. The Canadian National deficit this year, it is true, has been over $52,000,000, that is including interest charges, and there are some additional payments that the government has to make which will bring the amount paid by the government altogether to something like $60,000,000, not $75,000,000. This is at the very bottom of the depression. Remember that in 1933 the Canadian National took in gross earnings much less than half of what was taken in the peak year, due to the world depression, which has affected every country and all lines of industry and commerce, cutting down international trade for example by sixty per cent of what it was in 1929. Due to that the Canadian National, and the Canadian Pacific as well, have had their earnings reduced to less than half what they were in 1928, the peak year. The gross earnings of the Canadian National for instance for 1933 were less than $150,000,000, whereas in the peak year they were over $300,000,000. In view of that and the fact that without doubt Canada and the rest of the world, or at least the parts with which we are associated closely, are on the upgrade and have been for some months,—certainly this country has, and nothing shows it better than the returns of the Canadian National and the Canadian Pacific; I say in view of that there is every hope for a much better showing, particularly considering that both railways have made very extensive economies. The Canadian National, as I said the other day, has made special economies amounting to something like $15,000,000 a year on a gross earnings of $200,000,000, so if earnings go back to anything like the peak of $300,000,000 the showing will be very much better. The Canadian Pacific also has made great economies, though I cannot speak of that with as much authority as of the Canadian National. So if the business of the country comes back in the next year or year and a half to anything like normal both the Canadian Pacific and the Canadian National will get into a vastly better position than they are in to-day. Therefore I submit that there will be no such deficit as fifty or seventy-five million dollars.

I do not wish to delay my bill, hon. members have had a very general discussion and I hope they will now permit the bill to proceed.

Bill reported.

TECHNICAL EDUCATION ACT

BILL TO EXTEND THE AVAILABILITY OF BALANCE OF APPROPRIATION

Hon. W. A. GORDON (Minister of Labour) moved the second reading of Bill No. 32, to amend the Technical Education Act.

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

Mr. BEAUBIEN: May I ask the Minister of Labour (Mr. Gordon) if he took into consideration the question whether there are any means whereby the provinces which have not used this money can have it made available for use in agricultural teaching and the advancement of agriculture in the colleges of these provinces?

Mr. GORDON: I have given consideration to what the hon. member suggested when the bill was introduced. Personally I am inclined to the view that the unexpected balance can be devoted to agricultural education, but I propose to submit the question to the Justice department in order that I may get a clear interpretation of the terms used in the act. I am hopeful that the moneys can be applied to agriculture.

Mr. BEAUBIEN: Was there not provision made some years ago that the province of Prince Edward Island could use that money for agricultural teaching?

Mr. GORDON: Mr. Speaker, I believe there was an act of parliament passed making the moneys available for Prince Edward Island. However, as I said, I will go further into the matter in the hope that the unexpected balance can be devoted to the purposes suggested.

Bill reported, read the third time and passed.

SUPPLY

DEPARTMENT OF NATIONAL DEFENCE

The house in committee of supply, Mr. MacDonald (Cape Breton South) in the chair.

Militia services; cadet services, $150,000.

Mr. ELLIOTT: I wonder if the minister would give us an explanation of this reduction.

[Mr. Manion.]

Hon. D. M. SUTHERLAND (Minister of National Defence): As my hon. friend knows, when this item was under discussion last year I said it would be reduced this year, and it has been reduced. The largest reduction is in connection with the number of cadets for whom the allowance is paid; that is, allowances will be paid for only 55,000 cadets throughout Canada, and in addition the staffs have been reduced very generally.

Mr. WOODSWORTH: Will the minister say where these cadet corps are now located?

Mr. SUTHERLAND: I have them here by provinces, if that will meet the wishes of the hon. gentleman. They are as follows:

Alberta	34
British Columbia	31
Manitoba	25
New Brunswick	75
Nova Scotia	47
Ontario	205
Prince Edward Island	9
Quebec	320
Saskatchewan	43

Mr. WOODSWORTH: How many of these corps are connected with public schools?

Mr. SUTHERLAND: Practically all; there may be a few in private schools but I believe nearly all are in connection with public schools.

Sir EUGENE FISET: The minister has just stated that this year the training of cadets will include only 55,000.

Mr. SUTHERLAND: Yes, that is all that will be paid for.

Sir EUGENE FISET: Does the minister mean only 55 in each cadet company?

Mr. SUTHERLAND: No, we will only pay for 55,000 cadets, at $1 each.

Sir EUGENE FISET: I wonder if the minister could explain to the committee what allowances will be paid per unit out of this vote of $150,000.

Mr. SUTHERLAND: That is rather difficult to say at the present time; probably they would have to be put on a pro rata basis. A great many corps have been disbanded, and it is possible that the total number trained will not exceed 55,000.

Sir EUGENE FISET: I suppose the minister realizes that at one stroke of the pen he is destroying an organization that has taken practically twenty years to build up in this country. I do not know whether or not the minister is aware of the difficulties that were encountered in the past in inducing the different provinces to adopt a system of

cadet training. I well remember twenty years ago when I had the honour to be delegated by headquarters here in Ottawa to meet the council of education and the lord bishops of Quebec, and I had a pretty hard time convincing them that this cadet training was not a military measure but was simply for the purpose of teaching physical training in the schools. This movement spread like wild fire in Quebec, which I think at present has a larger number of cadet units than any other province in the dominion; practically every college, every school and every normal school has one, two or three units. As a matter of fact I believe this grant for cadet training is the only grant made by the federal government towards education in the provinces, and no doubt the minister is also aware of the fact that last year many of the colleges in Quebec could not undertake cadet training for the very good reason that the grant was so small that they could not pay the instructors. Now I understand that the department have decided to do away with the director of cadet training here at headquarters and that the inspectors in each district who carry on the inspection of these cadet units have been practically eliminated. I am sure the minister realizes that $1 per cadet per unit is a very small grant; I do not think it would be sufficient to induce the schools and colleges to carry on the training of cadets and the teaching of physical training.

I am extremely sorry to see this vote reduced. I think perhaps it would have been better to have saved this $150,000 by taking it from the amount appropriated for the training of the Canadian militia. After all, the training carried on last year as far as the militia units were concerned was only skeleton training, which was carried on at certain camps of concentration. The only real training carried on as far as the militia were concerned was the training of the city units; as far as rural units were concerned, barely skeleton training was carried on. I was hoping that the minister might reconsider this matter and provide for the full amount in the supplementary estimates. This means a great deal to our colleges and normal schools in the province of Quebec. If this reduction is maintained it will deprive those colleges and schools of the physical training that has been carried on; it will deprive them of the money they have been pooling and using to equip the cadet units, to pay for their training and to provide prizes for their scholars in order to encourage competition. Once more I must say that I feel extremely sorry to see this vote reduced, and I hope the minister will be able to induce his colleagues to maintain it at $300,000 when the supplementary estimates are being considered.

Mr. WOODSWORTH: Mr. Chairman, I find myself in opposition to the last speaker; I should like to congratulate the minister on the reduction from $300,000 to $150,000, and I could hope that the remaining $150,000 might be wiped out. As the last speaker said, this is the only grant made by the dominion government for education within the provinces. Several years ago, when some of us urged that a grant should be made by this parliament to the provinces for the purpose of promoting peace, we were told that it was impossible under the British North America Act, because this parliament could not possibly interfere in the matter of education within the provinces. To-day it is frankly conceded that this is a grant to educational institutions for educational work, and I believe it to be outside the powers of the dominion government. Let me warn my friends from Quebec that whatever temporary advantage they may gain in a financial way may be more than offset one of these days through the precedent that is thus being established.

Sir EUGENE FISET: We are quite willing to risk it.

Mr. WOODSWORTH: Well, that is your business. Further than that, may I point out the inconsistency of the position of the government. If it is correct to make grants for what I regard as essentially military purposes surely it is quite correct for this dominion government to make grants for peace purposes. The government is taking an inconsistent position. More than that, we are told that it was extremely difficult to get the educational authorities in some of the provinces to agree to anything of this kind. Several years ago I pointed out that in my own province the military authorities had, themselves, taken the initiative and pressed this matter upon the central school authorities. They were practically turned down by the provincial authorities and then some of them approached the individual school boards and sought in this way to get in their work with the individual boards. That action is not conducive to the best relations between the dominion and the provinces. However I do not wish to stress jurisdictional matters of that kind, but rather to point out that there is a growing conviction to-day that we are not going to solve our problems by developing a military spirit. Throughout the world to-day we are in danger of having another war developed, and the only possible

means by which such catastrophe could be averted is by developing a spirit of peace. In this country, I believe most of our people are in favour of peace. It has been the declared policy of the dominion government to adopt a policy of peace. It does not seem to me that a grant such as we are now discussing is consistent with the declared peace policy of the dominion government. It might conceivably be argued that we have to have some sort of defence force, but surely no one will say that these boys who are being trained in the cadet corps are receiving training which will make them immediately available for war. Further, that is not the professed object of such cadet training. It may be said that they are being given merely physical training, but if that contention is urged it should be brought to the attention of the house once again that if the boys are to be given physical training the girls should have that training too, and further that, as a rule, the men instructing the cadet corps are not the men best fitted to instruct in training in which physical development is the paramount consideration.

Again and again educational experts have pointed out that military training is not the best training for purely physical purposes. The only possible object in developing these cadet corps in our schools then, must be to encourage the boys to take an interest in military matters, and I think any one who has witnessed any of the parades or reviews must come to that conclusion. Once more I want to protest against our adopting or maintaining in Canada any policy which would tend to encourage a military spirit among our youth.

Mr. POULIOT: Just before the vote is carried I should like to say this, that on a day such as this, the fifteenth of March, I should not like to contradict what has been said by my good friend from Rimouski. Last year the vote was for $300,000; this year it is reduced by 50 per cent. The hon. member for Rimouski has said that it should be increased, and, on the other hand, the hon. member for Winnipeg North Centre has said that not one cent should be spent. Well, I see that the minister is following the middle course, the Liberal policy, and is reducing the vote by 50 per cent.

Mr. WOODSWORTH: And pleasing no one.

Mr. POULIOT: I would not say that. When there is a step in the right direction I do not complain. I am ready to give the devil his dues, and on this occasion there is no devil at all. On the other hand may I add that this vote is much more sensible than are some other expenditures—for instance, the large amount of money which is now being spent for the diplomatic training of the Postmaster General in the courts of Europe.

Item agreed to.

Contingencies, $31,500.

Mr. REID: I should like to ask a question regarding the camps in British Columbia.

Mr. SUTHERLAND: Those camps do not come under the estimates for my department. The hon. member would have an opportunity to discuss camps under the bill of which the Minister of Labour gave notice to-day. In connection with those camps the Department of National Defence is really acting as the agent of the Department of Labour. There is no part of our vote for that purpose. Either the Minister of Labour or myself would be very glad to answer the hon. member's question when the bill is discussed.

Mr. REID: It seems to me rather strange if there is no opportunity under the estimates for the Department of National Defence to discuss these camps.

Mr. SUTHERLAND: There is no item under which the camps could be discussed.

Mr. REID: But they are under the minister's jurisdiction, and I should like to know under what item we may ask those questions. I do not know how many camps there are in British Columbia, but I believe there are over twenty under the jurisdiction of the minister.

Mr. SUTHERLAND: If the hon. member wishes to discuss the camps may I suggest that the only item even remotely connected would be that concerning the permanent force. I should be happy to answer any questions under that item.

Item agreed to.

Engineer services and works, $297,500.

Sir EUGENE FISET: Would the minister explain if there are any new buildings, or what repairs were made in pursuance of last year's vote?

Mr. SUTHERLAND: As the hon. member knows, in a general way this vote is for the ordinary repairs and upkeep charges in connection with military buildings, rifle ranges, camps and fortifications.

Sir EUGENE FISET: Have any new ranges been built?

Mr. SUTHERLAND: No, there have been no new ranges built, but some improvements have been made on the new range at Vancouver.

Sir EUGENE FISET: Would aviation fields come under this vote?

Mr. SUTHERLAND: No, that would come under the aviation vote.

Sir EUGENE FISET: Do not repairs to aviation fields carried on by the department come under this vote?

Mr. SUTHERLAND: No, that would come under the aviation vote.

Mr. VENIOT: Is there not a new rifle range established in New Brunswick?

Mr. SUTHERLAND: No, not under the jurisdiction of this department. Of course a small civilian range might be formed in the community.

Mr. VENIOT: I know a camp has been established for the counties of York and Sunbury in New Brunswick.

Mr. SUTHERLAND: So far as I am aware there is nothing in the project which has to do with a rifle range.

Mr. VENIOT: The statement given out by the provincial government of New Brunswick and reported in the press is that the camp established is for the purposes of reforestation and the opening up of a new rifle range in the centre of the province.

Mr. SUTHERLAND: I think that is an error. Ultimately, under the project going through, it will be a training camp, and is brought about as an unemployment relief project, but there is nothing ready at the present time with regard to it.

Mr. VENIOT: Does the establishment of airports come under item 74 for engineer services and works.

Mr. SUTHERLAND: No, there will be nothing under that.

Item agreed to.

General stores, $667,800.

Sir EUGENE FISET: May I ask the minister if under this item is included the purchase of general stores for the naval section of the department?

Mr. SUTHERLAND: No, Mr. Chairman.

Sir EUGENE FISET: Under what item does that come?

Mr. SUTHERLAND: Under the naval service vote.

Mr. WOODSWORTH: Will the minister give us a classification showing what these stores consist of?

Mr. SUTHERLAND: They include telephone, signal and wireless stores, the inspection of stores, clothing and necessaries, medical stores, also the dominion arsenal at Quebec and the arsenal at Lindsay. It includes everything in the clothing line.

Mr. WOODSWORTH: Cannot we have a little more detail? How much for each classification? The item is nearly three-quarters of a million dollars.

Mr. SUTHERLAND: Public clothing, waterproof clothing, clothing of all kinds, cavalry stables' necessaries, tools of all sorts, oils, paints and chemicals used for cleaning, all kinds of camp equipment, the necessary lumber, furniture and kitchen equipment.

Mr. WOODSWORTH: Here is an item of $667,800, and I think we should have some idea how much is spent on clothing, how much on camp necessaries, munitions and so on.

Mr. SUTHERLAND: The items are as follows:

Clothing, $129,000.
Artillery stores, $48,000.
Telephone, signal and wireless stores, $19,000.
Medical stores, $9,000.
Dental stores, $1,000.
Veterinary stores, $1,500.
Inspection of stores and munitions, $52,000.
Dominion arsenal, Quebec, $318,300.
Dominion arsenal, Lindsay, $6,800.

Mr. REID: Do the stores for the camps come out of this item?

Mr. SUTHERLAND: No.

Mr. WOODSWORTH: A very considerable amount is set down for inspection. Will that come under the head of salaries?

Mr. SUTHERLAND: No. All the stores we buy are inspected, and of course the ammunition has to be very carefully inspected.

Mr. WOODSWORTH: Is there any revenue in this department? It has been stated that considerable quantities of goods are disposed of from time to time and fall into the hands of secondhand dealers, and are sold by them. Is there any revenue to the department from the sale of clothing?

Mr. SUTHERLAND: None whatever. If we had anything that was beyond use to us it would be turned over to the dominion salvage officer. He would dispose of it, and the proceeds would go into consolidated revenue, not to the department at all.

Mr. MacINNIS: Are these items of stores purchased by tender?

Mr. SUTHERLAND: Yes.

Mr. MacINNIS: In the contracts for clothing and such like, is there a fair wage clause inserted by the department?

Mr. SUTHERLAND: Yes, there is a fair wage clause in all our contracts.

Mr. MacINNIS: Does the inspection go to the point of seeing that the fair wage clause is carried out in the filling of the contracts?

Mr. SUTHERLAND: No, I cannot say that we go beyond a declaration that the fair wage clause has been carried out.

Sir EUGENE FISET: I am afraid that the minister is mistaken because the duties of the director of contracts in the department include not only the letting of the contracts but seeing that every clause of the contracts is closely followed. I think he does follow the contract through. He did in the past.

Mr. SUTHERLAND: Of course, he inspects the goods carefully, but I do not know that he would go beyond the declaration of the firm that they had lived up to the clause, and make a personal investigation.

Sir EUGENE FISET: I think he does.

Mr. MacINNIS: My information is that some of these contracts are sublet, and possibly again sublet several times, and that eventually the wages paid certainly would not meet the requirements of a fair wage clause in any contract. The question I wish to ask is whether the department follows up the contract and sees that the fair wage clause is actually being carried out.

Mr. SUTHERLAND: Yes, we do the best we can to see that it is followed out.

Mr. MacINNIS: "The best we can" must mean that you are satisfied that the fair wage clause has been lived up to in every contract for the manufacturing of supplies for the department. If it does not mean that, it does not mean anything.

Mr. SUTHERLAND: There has never been any assertion made to the contrary, and so far as I know the clause has been lived up to in every case. I have never heard of one case in which representations were made to the contrary.

Mr. RHEAUME (Translation): Mr. Chairman, would the minister be so kind as to furnish me with certain details in connection with the item under discussion and which includes travelling expenses? I am putting the question in French to the hon. minister because he speaks that language as well as I do English. The hon. Minister of Railways (Mr. Manion) also understands French. They are the only two English-speaking ministers, who understand French; I must congratulate them. I wish to inquire as to what are the travelling expenses of officers of his department who visit certain military schools in this country.

[Mr. Sutherland.]

Mr. SUTHERLAND: Travelling expenses would come under civil government contingencies, not under this vote.

Mr. JEAN: But on page 26 there is a paragraph explaining General Stores, and it includes the words, "Travelling expenses and other services generally."

Mr. SUTHERLAND: I have not the details separated to show the travelling expenses.

Mr. RHEAUME (Translation): It would be interesting to know the details of that expenditure as I am aware that some extravagant outlays are made in that department. What amazes me most is that the Department of National Defence is the only one whose estimates do not vary since 1930. I notice in the estimates of 1932-33, that over $14,000,000 were expended for national defence and only $8,000,000 for agriculture, namely $3,000,000 less than in the budget of 1930. There is much lamentation; various remedies are proposed, legislation is resorted to; inquiries are held, etc., so as to cut down expenditure. In the Departments of Public Works, Agriculture and many others, economy is practised. while the estimates of the Department of National Defence remain as they were in previous years. I have much esteem for the hon. Minister of National Defence; however, I should like to have some details which will permit me to make further inquiries when other items are considered. There seems to be quite a lot of favouritism in that department because friends are more looked after than economy. The hon. minister states that he has not those details. I have my doubts, however, I shall take his word. At all events, I shall have an opportunity of referring to this matter when other items are considered.

Mr. SUTHERLAND: I regret I have not the information desired in that particular form. The question has never come up before but I shall be glad to obtain the information for the hon. member.

Mr. ROSS: I understand the minister has received one or two requests for the turning over of discarded clothing to welfare associations to be used for returned men instead of it being handed over to the salvage corps.

I do not know whether this clothing would amount to very much but I think the suggestion is a good one. Returned men who are now on relief obtain rent, groceries, fuel and light but except in one or two places nothing is allowed for clothing. I should like to know if any action has been taken in this regard.

Mr. SUTHERLAND: Nothing in the way of clothing is turned over to the salvage officer. Discarded vehicles and things of that kind are turned over, but in recent years he has received no clothing.

Mr. WOODSWORTH: That was the point I was raising a moment ago.

Mr. SUTHERLAND: A great deal of this clothing was given to the Red Cross but the stocks were finally exhausted. This consisted of boots, underclothing and some overcoats. Anything that could be of any service has been turned over to that organization.

Item agreed to.

Non-permanent active militia, $1,994,000.

Mr. ELLIOTT: What was the amount voted and the amount expended last year?

Mr. SUTHERLAND: The vote last year was exactly the same but as this year is not completed we have not the total expenditure.

Mr. ELLIOTT: Could the minister give an estimate as to how nearly the expenditures took up the vote of last year?

Mr. SUTHERLAND: The expenditures to the end of December amounted to $1,342,000.

Mr. ELLIOTT: That is the latest report?

Mr. SUTHERLAND: Yes.

Mr. DENIS (Translation): Mr. Chairman, I think the hon. minister would have given better proof of his disposition to practise economy in his department, had he reduced this item by the same ratio as he did that relating to cadet training. The whole country would have been grateful to him had he reduced this budget item under consideration. The financial situation of the country is not so flourishing as it is thought in certain quarters. Under these circumstances, I would welcome a reduction of 50 per cent on this item.

Mr. SUTHERLAND: It was impossible to cut this item to the same extent as the cadet item was cut. In a sense, this is the most important item in our estimates as the non-permanent militia is the backbone of the whole service. The vote has been cut considerably during the last few years. No member of this body of men makes a cent out of what he is doing for the country, in fact practically everyone is out money. I believe the vote has been cut down as much as possible and still allow the organization to be kept intact.

Mr. MITCHELL: What is the strength of the ranks in the non-permanent militia?

Mr. SUTHERLAND: About 52,000.

Mr. MITCHELL: And the number of officers?

Mr. SUTHERLAND: About 7,000.

Mr. JEAN: The details of this vote are given on page 26, and they include grants to associations. I should like to know what associations benefit from these grants.

Mr. SUTHERLAND: There are the provincial and dominion rifle associations and the cavalry, artillery, engineers, signallers infantry and machine gun service branches.

Mr. MITCHELL: The minister stated that the strength of the ranks was 52,000 and the number of officers 7,000. Would the officers be included in the first figure?

Mr. SUTHERLAND: On December 31 of last year there were 7,021 officers and 45,504 other ranks, or 52,525 altogether.

Mr. MITCHELL: That would be an officer for every 6½ men.

Mr. SUTHERLAND: Yes, but I must elaborate that a little because the hon. gentleman knows well he might leave the wrong impression in that regard. It is much easier and takes a much shorter time to train a man than it does to train an officer. All through the last number of years we have had to fall back on training officers and key men as well as we can, so that should any necessity arise, they would take hold and train the others. That is the explanation.

Mr. RHEAUME (Translation): The hon. minister referred to officers just now. I think that most of them are parade officers. Sometimes newspapers publish an item such as: Lieutenant so and so, captain so and so, colonel so and so. I often wonder how they were promoted to those ranks. I know a few by name, and I really think that these captains, majors or colonels have never known any fire save that in their stove at home. It would be most interesting to find out how many of these parade officers, when the war broke out, in 1914, joined the C.E.F. I knew a number of them in various towns and believe that not one of them went overseas. Some of them, as soon as they heard of war, burned their uniforms.

The hon. minister is an officer, a military man by profession, and a qualified officer

at that. He is perhaps the ablest minister of the cabinet, one who knows best his business, because he has found it possible to maintain his budget intact ever since he has had charge of that department.

A military camp was stationed at St. Johns, last year. If I well remember, a number of military men arrived on the 1st, 2nd or 3rd September, stayed over Labour day, the 4th, and performed some training. I would be very curious to learn from the hon. minister, what this 4 days' camp at St. Johns cost, including travelling expenses, rations and other expenses.

These military men passed a day or two at the barracks, their transportation expenses had to be paid from Sherbrooke, Levis, Quebec, Joliette, Montreal or elsewhere. On Sunday they underwent some training and also had a church parade; on Monday, some more training. I wonder what such military men are worth as to their military efficiency, after costing the country $8, $10, $12 or $15, each. They do not even know how to shoulder a rifle when they break up camp.

I would also like to know how much each militia man cost the country, in these so called two weeks camp training. For a number of years past, we have had these camps at St. Johns, and I may state that there are young men who come to these camps that were never born to shoulder a rifle. Would the hon. minister inform the house how much each man costs the country for two weeks' training in such camps, simply for rations and salary, not including travelling expenses? A number of these men, after the camp has broken up do not even know how to handle a rifle.

In a crisis, when all departments retrench, especially Public Works and Agriculture, I do not see why the Department of National Defence should not do likewise. The hon. minister stated that he had reduced by 50 per cent the item relating to cadet training. If I thought I could persuade the minister to do so, I would request him to reduce by 75 per cent the militia budget for 1935.

Mr. SUTHERLAND: With reference to what the hon. member has said about the camps held at St. Johns, those camps are not as they used to be prior to four or five years ago when a good many regiments from that military district would go there full strength and put in probably twelve days of training. We have not had the money to hold those camps and as a consequence a great deal of the training has been done at local headquarters. The various regiments about which the hon. gentleman has spoken have done a lot of training at their own headquarters. Then they would probably go to camp, as the case is there, for four days, one company from one town, another from another, and get together for combined exercises. A good deal of the money that was spent for that would be spent by the regiments themselves. In some cases we gave a grant of the food and paid the railway expenses, but in many cases they put up a great deal of the expense themselves.

As regards what the hon. gentleman said about the officers and the men, I am firmly convinced that the men whom we have in the militia at the present time are just as good a lot of men and officers as those whom we had before the war and who went to the war, and that if ever the necessity arose again, they would acquit themselves just as creditably. The fact that an officer or a man smokes a cigarette or carries a cane or does something of that kind is no sign that he is not a good man, because everyone has to have his moments of relaxation; we cannot all be keyed up to concert pitch all the time. A person who does not take a chance or a day or a night off once in a while would never make a soldier.

Mr. RHEAUME: I do not disagree with that, but there are too many what we call parade officers, because when the war started in 1914 I know some of those parade officers burned their uniforms.

Mr. SUTHERLAND: That would be a very rare occurrence. Some men who, one might think, were the least likely to be soldiers, when they got overseas and right up against it, were among the best that ever went to the war. You cannot tell from the looks of a man what kind of a soldier he will be when in action.

Mr. RHEAUME: But I know some soldiers who were for many years in St. Johns and when the war started, they quit. When it was time to go to fight, they would not go, although they had been in St. Johns perhaps five or ten years, drawing their pay every month. When they had a chance to make a good showing at fighting, they quit.

Mr. SUTHERLAND: A certain number of officers and men stayed in Canada not from their own choice, but because there was a great deal of very important work that had to be done in this country in the way of recruiting the different contingents, training them and getting them ready to be sent overseas; that was a very important job. While I do not know of particular cases, and pos-

sibly in some cases something might not have been quite all right, in the majority of cases they were doing very important work at home.

Mr. VENIOT: I see that in 1932-33 the amount was $1,882,810 and for 1933-34 it is $1,994,000. How is it that it could be done for so much less in the former year?

Mr. SUTHERLAND: The reason was that we were cut down very greatly that year, and as a consequence had to do without any artillery training at all practically. Now artillery —and the same applies to machine guns—can only do a very limited amount of effective training at home, because they cannot fire their weapons. We find that if we were going to get results at all we had to take those men to camp.

Mr. LUCAS: May I ask if there are any training camps being held now similar to those held a few years ago, and if so at what points?

Mr. SUTHERLAND: Not the same as there were several years ago but, as I have explained, there were last year and will be this year camps for machine guns and artillery and engineers. There will be a camp at Petawawa, one at Hughes and one at Sarceé along those lines.

Sir EUGENE FISET: What proportion of this vote was spent last year on city units and what proportion on the rural militia?

Mr. SUTHERLAND: I have not got that but I will be glad to get it for the hon. gentleman.

Sir EUGENE FISET: Will the minister simply tell me if the city units attained to full strength last year?

Mr. SUTHERLAND: Yes, they took their full strength and in many cases trained many more men than they were paid for.

Sir EUGENE FISET: What kind of training did the rural units undergo last year?

Mr. SUTHERLAND: The procedure is this. The district officer commanding the district makes his plan of what he would like to do. He knows his various units and whether they can train to advantage at their local headquarters or get together it may be at the headquarters of the colonel, or possibly go to a central camp for a few days; he makes his recommendation and if it is approved he carries on that training.

Sir EUGENE FISET: I am afraid the minister did not quite get my question. For instance, I would like to know the proportion in numbers of each regiment in the Quebec district that trained at Valcartier last year. Was it only the skeleton formation, of non-commissioned officers and officers, or were the men brought in?

Mr. SUTHERLAND: Any particular unit?

Sir EUGENE FISET: I would like to know about the 189th Rimouski regiment, if possible.

Mr. SUTHERLAND: The training authorized for that regiment was total training strength, 58, and they were at Valcartier from the 15th until the 24th of August.

Sir EUGENE FISET: Does that include officers?

Mr. SUTHERLAND: Yes, that would be all ranks.

Sir EUGENE FISET: I am anxious to ascertain whether if you carry on the same kind of skeleton training next year, the officers selected from each regiment to attend these camps will have the right to qualify from rank to rank instead of attending the ordinary school of instruction?

Mr. SUTHERLAND: Oh, yes, we are keeping up the schools and they will have every opportunity to do that.

Sir EUGENE FISET: The minister did not exactly get my question. I am asking whether instead of being compelled to attend the school of instruction for two or three months in order to qualify from rank to rank, opportunity will be given to officers attending these camps next summer to pass their qualifying examination there.

Mr. SUTHERLAND: Yes, in the junior ranks they would, but it is obvious that in the senior ranks they would have to have more.

Mr. PERRAS: I do not know if my hearing is defective, but in his remarks a few minutes ago the minister mentioned some statistics, which I understood to be for September 31 last year. If I am wrong I want to be corrected.

Mr. SUTHERLAND: The figures I gave to the hon. gentleman were that his regiment went to camp from the 15th to the 24th of August.

Mr. PERRAS: Then I admit my hearing is defective. I remembered the rhyme about "thirty days hath September." I apologize.

Sir EUGENE FISET: Is it the intention of the department to pay to regimental units —I speak especially of rural units—the full allowance they are entitled to under the law?

Mr. SUTHERLAND: Yes the allowances will be paid.

Mr. RHEAUME (Translation): The hon. Minister might inform me as to what is the salary paid to officers in camps lasting two or three days as we have had in St. Johns, last autumn? I put questions to that effect and the minister was kind enough to reply on Feb. 27, that there had been 215 officers and 1,113 men of other ranks, namely one officer for five privates. The pay of officers amounted to $5,561 while those of other ranks received $3,293. The transportation cost amounted to $503 paid to the C.P.Ry., and $844 to the C.N.Ry. The total expenditure amounted to $24,393. I find rather expensive the fact of spending $25,000 to allow a number of soldiers to pass a few days in St. Johns, doing military training. My case is perhaps similar to that of the hon. member who stated just now, that his ears must have been at fault, because I thought I heard the hon. minister state that some of these officers did not receive any pay. However, according to the report I have just mentioned these officers received $5,561 and other ranks $3,393. Could the hon. minister inform me what amount the officers and other ranks receive per day and whether the officers and men are paid from the day of their departure up to their return to their home?

Mr. SUTHERLAND: The figures are as the hon. gentleman stated, but of course it is well known that the pay of an officer is more than the pay of other ranks.

Mr. RHEAUME: Surely, because there are nearly 215 of them.

Mr. SUTHERLAND: Yes; the pay for regimental officers is as follows:

	Per day
Lieutenant colonel	$5 00
Major	4 00
Captain	3 00
Lieutenant	2 00

Mr. RHEAUME: And expenses?

Mr. SUTHERLAND: And expenses.

Mr. RHEAUME: What are the soldiers paid?

Mr. SUTHERLAND: The pay is $1 per day.

Mr. HEENAN: Can the minister tell us whether or not the supplies for these camps are obtained by tender and whether or not the contracts contain the fair wage clause?

[Sir Eugène Fiset.]

Mr. SUTHERLAND: The only separate tenders there would be in connection with the camps would be for food. The men have their clothing, and so on before they go to the camps. In connection with the contracts for food there would be no clause of that kind.

Mr. HEENAN: When the department is purchasing supplies for these men, such as boots, clothing and so on, is that done by tender?

Mr. SUTHERLAND: Yes.

Mr. HEENAN: I see that an order in council was passed under the relief legislation entering into a contract for some 26,000 shirts for the unemployment relief camps. Could the minister give me any idea of the date of the last contract prior to this, which is dated February 9?

Mr. SUTHERLAND: What is the date of the last order in council?

Mr. HEENAN: The last order in council I can find passed under the relief legislation is dated February 9, 1934. I wondered if the minister could say when, prior to that, a similar purchase was last made by any branch of his department.

Mr. SUTHERLAND: I have not exact information as to that. Every year we make purchases of that kind, but I have not with me the dates of the different contracts.

Mr. HEENAN: Would the minister be good enough to lay on the table the last two agreements prior to the order in council of February 9?

Mr. SUTHERLAND: Yes, I shall be glad to get them.

Mr. HEENAN: This order in council is for the purchase of 26,000 shirts; the drill is to be supplied by the department and the contract is with a manufacturing concern in Quebec. The rate given is 61 cents per shirt, which is in consideration of the material being supplied by the department. This would leave about 21 cents per shirt to cover labour, overhead, sales tax, transportation and so on. I wonder if the minister could tell me whether his department or the Department of Labour have found out what portion of that 21 cents went to labour.

Mr. SUTHERLAND: When a contract of that kind is let by order in council we immediately refer it to the Department of Labour with regard to the fair wage clause and so on, so that would come under the Department of Labour, to whom we refer every contract of more than $1,000.

Mr. HEENAN: This seems quite a departure from the Dominion government's fair wage policy. The order in council goes on to say that the minister, on the advice of the deputy minister, recommends the acceptance of the tender of this company at 61 cents per shirt, which is the lowest tender, and which includes the estimated transportation charges for delivery at Winnipeg, provided that the company complies with the minimum and fair wage laws. That does not refer to the fair wage clause of the Dominion government and I do not see how this government can insist that the provincial governments enforce their own laws. When the government let a contract I think they should specify the wages and conditions of labour and should not leave those matters to some provincial law, whether it be in Ontario or in Quebec. In my estimation this is mass buying; there is no doubt about that. I should like to know whether the government are trying to evade their own laws with respect to fair wages; that is the point I want to make. I believe it will be found before long that some of the provinces do not carry out the minimum wage laws they have passed, so I think it is a dangerous procedure for the Dominion government to rely upon a corporation to obey a law upon which it is quite evident the province has not insisted. In other words I am satisfied that when we ferret it out we will find that these shirts have been manufactured under the worst sweatshop conditions.

I do not want to delay the minister's estimates, because he had been very patient, he says he take a night out once in a while and I should not like to keep him in. But I should like to ask the minister a question or two in connection with the work on the air-ports which are being constructed throughout Canada, and with especial reference to the work at Lac Seul. I wonder if the minister would not give instructions to headquarters at that point to purchase their supplies, such as hay, oats, meats and vegetables, in the district in which the work is being carried on. I understood that the principle in connection with these unemployment relief projects was to employ those living in the district in which the work was carried on and to distribute the money spent in that locality as far as possible. I think the minister will find that the supplies for many of these camps, and especially the camp at Lac Seul, have been obtained at centres far removed from the camps. In the case of Lac Seul a large portion of the supplies, as well as of the men working there, have come from Winnipeg. I wish the minister would interest himself in that situation, because I am satisfied that the hon. gentleman would like to see a fair distribution of the little money that is being spent in that way. In that connection I should like to ask another question: Is it the policy of the department to have these jobs filled by patronage, that is, through the defeated candidates in these particular ridings?

Mr. SUTHERLAND: No, that is not the policy of the government—nothing of the kind. May I say that I am in favour of the plan of purchasing locally which the hon. member has mentioned, and so far as possible we are carrying it out. We are purchasing around Lac Seul camp whatever can be purchased in the way of fodder and things of that nature. However, we must remember that in the smaller centres it is more difficult to purchase meat locally, because one cannot be assured of the regularity of supply. At one time a farmer may be in a position to send in a carcass of beef or pork and at another he may not. We have to be assured of a steady supply. However, when that supply is available we are only too delighted to accept it. I have given orders to buy locally, where possible, and they are being carried out.

Mr. HEENAN: I quite agree with the minister that there are obstacles and difficulties in the way of buying locally, but I do suggest that vegetables and fodder could be purchased in the district concerned. During the three and a half years of construction along the trans-Canada highway we have been trying to get the Ontario legislature to insist upon their contractors giving a square deal to the people who have settled along the highway. Only now, on the eve of an election, have they made a public declaration. And through whom have they made it? Through the new Conservative candidate in the riding. Despite the fact that the minister had promised action on two or three occasions, this candidate insists that he has finally secured an arrangement with the contractors. I do not want to see the Minister of National Defence get into these five cent parochial politics; I should not like to see him follow the example of the Minister of Lands and Forests and his associates in Ontario. I have more respect for the Minister of National Defence than to believe he will follow their example.

While on this subject I should like to refer to the matter of filling positions, if they may be so called. I hope the minister does not refer to them as jobs, because the men are

being paid only $5 a month and their board, if they work. I could produce to the minister a letter showing that in Winnipeg, where a man applied for the job of timekeeper, he was referred to the defeated candidate. I am sure the minister does not wish that practice to continue. I can understand, in a general way, what is meant by patronage. In this country it is the defeated candidate, the man whom the people did not wish to represent them, who, in fact, does represent them. But surely when we are dealing with men who are going into the bush to earn a living—because that is all they are getting out of it—they ought not to be forced to go on their bended knees before a man whom the people defeated at the polls and whom, they said, they did not want as their representative. I do not wish to speak to the Minister of National Defence as I spoke to another minister not so long ago, because I feel satisfied all that I have to do is to draw to the attention of the minister the conditions existing and he will see to it that unfortunate people in Canada do not have to appear on bended knees before a defeated candidate or anybody else. They ought to be treated as human beings.

Mr. GOTT: I have no desire to delay the committee, but I hope the hon. member for Kenora-Rainy River (Mr. Heenan) has observed in the press of to-day that the Minister of Lands and Forests of Ontario is quite capable of taking care of himself. The night before last he put many hides on the fence, in the Ontario legislature, and had the hon. member for Kenora-Rainy River been there his hide would have been on the fence too.

Mr. HEENAN: I would say in reply to the hon. member, who seldom says anything unless an onion is squeezed in the chamber, that any time the Minister of Lands and Forests puts my hide on the fence it will cost the province of Ontario a great many more millions of dollars than it cost at the last election. He spent a good many millions during the last election campaign in an effort to put the hide of the present member for Kenora-Rainy River on the fence, and I can say right now to the hon. member for South Essex—onion Essex—that the Minister of Lands and Forests will not be put on the fence, because Liberals do not act that way. They send them home to rest, where he ought to have been this last five or six years.

Sir EUGENE FISET: I wonder if the minister is willing to permit the discussion about camps to proceed on this vote.

[Mr. Heenan.]

Mr. SUTHERLAND: I would prefer to have the discussion on the next vote.

Mr. HEAPS: I should like to revert to a question raised by the hon. member for Kenora-Rainy River (Mr. Heenan), namely the question of contracts which have been let and are being let by the Department of National Defence. It came to my attention yesterday, through a gentleman whom I met in this city, that there were bitter complaints about contracts being let for clothing for the permanent force. I believe this particular gentleman regards himself as a fair employer of labour. He tells me that the conditions under which uniforms are made are such as would not be tolerated by any government familiar with them. I do not know whether the minister himself is cognizant of the fact, but I may explain that the gentleman in question is a fairly large manufacturer of clothing, operating in the city of Montreal, and observes union rules. I believe he knows what he is talking about, because he helps to make the specifications for the department. He has stated that owing to the intolerable conditions under which clothing is being made it is almost impossible for any employer of labour who deals fairly with his employees to receive a contract. On a former occasion when I raised this question the minister stated that in this connection no individual had made a complaint to the department. I now make that complaint. I do not wish the minister to feel that my complaint is in any degree personal, because I understand the practice has continued for quite a number of years.

The other day I stated, as I have always maintained, that the government ought to be a model employer of labour, yet it lets contracts for uniforms, or clothing, under conditions which bring no credit to the government or to those responsible for letting the contracts. I understand that a great many difficulties stand in the way. One is that of the patronage list from which the government must choose; very often contracts are let to people who themselves do not manufacture the goods and the contracts are sublet. Of course the first party receiving the contract has to have a profit—you may call it a rake-off, if you wish—for taking the contract and subletting it. Once these contracts are let I should like to see some follow-up process adopted to see that the fair wage clauses are properly observed. I believe such action would help to mitigate some of the evils now existing in connection with the letting of contracts.

After all, there is a great deal of competition among manufacturers to obtain government contracts. Sometimes they are fairly large, and the pay is fairly sure. Very often the profits are taken out of the hides—and in this instance the term "hides" is being used in its proper sense—of their employees by paying them miserably low wages, and by undercutting an employer of labour who wishes to pay to his employees a decent wage in accordance with the laws of the particular province affected. If the minister wishes to have evidence about contracts for clothing for the army which have been let in past years, I am prepared to submit to him all the information he may require. All I am asking at the present time is that the minister sees that in future these abuses are eliminated and that provision is made for proper government supervision.

Mr. SUTHERLAND: I shall be very glad indeed to give that assurance. I am very much in favour of the work that is being done by the committee in this regard, and I hope that its labours will be fruitful. Anything that I can do to assist it, I shall be very glad to do.

Mr. ROSS: I have been trying to estimate from the reports what is taking place, and to supplement my information I would ask the minister what is the number of infantry battalions, the number of regiments of cavalry, and the number of batteries of artillery that are on strength, and how many of these are active, how many non-active, and how many have had training. Only by figures of that kind can we get any idea of what is being done. If the minister has not the information available at the moment perhaps he would get it, as the discussion of his estimates will not be closed before six o'clock. I would also like to know how much has been spent during the past year in the purchase of rifles and machine guns.

Mr. SUTHERLAND: I shall be very glad to get that information for the hon. gentleman.

Mr. ROSS: It would help me in a little estimate I have been trying to make on my own, and I should be very much obliged for those figures.

Mr. RHEAUME: Will the minister inform me who had the contracts for supplying the camps and the military school at St. Johns, Quebec?

Mr. SUTHERLAND: The hon. gentleman can hardly expect me to have details of all the contracts here, but I shall be glad to get and send to him the information he requires.

Mr. RHEAUME: When does the minister think he will be able to give me that information?

Mr. SUTHERLAND: Our contract branch is closed now, but I can give my hon. friend the information to-morrow.

Mr. RHEAUME: Thank you. I should also like to ask why the present government is not calling for tenders from people who used to supply bread, butter, vegetables and fuels to the barracks at St. Johns. A farmer who used to supply the department came to see me last summer and asked me if I could find out when contracts were to be let for the supply of vegetables for the winter. I sent a telegram to the minister five or six days before the contracts were let, asking him to send down blank tenders for vegetables, but I did not receive any answer to it, and this farmer did not receive a tender blank.

Mr. SUTHERLAND: I do not think that telegram ever came to my notice. Occasionally I am out of town, and probably what happened was that the telegram was set aside awaiting my return, and inadvertently was never brought to my attention. I have no recollection of having received it, and certainly if I had received it I would have sent what was asked.

Mr. RHEAUME: Can the minister say why the farmers and people who used to supply vegetables to the barracks at St. Johns no longer receive notice of the tenders? I would also ask if the minister has not received complaints against a man who had the contract for supplying vegetables to the barracks at St. Johns.

Mr. SUTHERLAND: I do not remember any particular complaints. Of course from time to time we do get complaints and we endeavour to remedy the trouble. If a person has inadvertently made some error we try to adjust it, and if someone deliberately tries to furnish us with bad stuff, our relations with him are immediately terminated.

Mr. RHEAUME: I am very much surprised that the minister has not received complaints against this contractor. In 1931 when I asked the minister about a contract that had been given by the department for the furnishing of supplies in St. Johns the minister told me that as he had been in office only a few months he was not familiar with all the details of his department. It is very strange, Mr. Chairman, that since 1930 the contract for supplying vegetables to the barracks at St. Johns has gone to a man in Montreal, who, if I am well-informed, is the uncle of

the defeated candidate for that district in 1930. I am also surprised that the farmers do not get the chance to submit tenders for the supply of vegetables. We have gardeners and farmers who used to supply the department with fresh vegetables, and they are better able to furnish them, I think, than this gentleman in Montreal. The minister is a very nice gentleman and he has always treated me very well; I wonder if he will be good enough to send me a list of the names of the people who have these contracts.

Mr. MACKENZIE (Vancouver): I have been on a committee elsewhere, Mr. Chairman, and I should like permission to ask of the minister under this item two questions in regard to the city of Vancouver. Is he able to give any encouragement in regard to the Seaforth armoury, and secondly in regard to the civilian air force.

Mr. SUTHERLAND: I am not in a position to say anything definite about the Seaforth armoury. Of course that would come under the program that was announced in the speech from the throne with regard to dominion buildings. But that is not yet in shape to make any announcement. My views on that question, however, are exactly the same as I expressed to the house.

With regard to the non-permanent air squadron which has been authorized in Vancouver, it is coming along. Officers are being taken on and we hope to give them some training next year.

Mr. RALSTON: I am sorry I have not been able to be present earlier, having been engaged on a committee. Perhaps the minister has already given the information, but I wanted to ask under this item how many men he expects to be able to train this year.

Mr. SUTHERLAND: 29,000.

Mr. RALSTON: Does he expect to have some field camps?

Mr. SUTHERLAND: We will have some camps for the engineers and artillery and for the machine gunners, but not for other branches of the service.

Mr. RALSTON: No field camps at all for the infantry?

Mr. SUTHERLAND: No.

Mr. RALSTON: Will the artillery camp be at Petawawa?

Mr. SUTHERLAND: Petawawa, Hughes and Sarcee.

[Mr. Rheaume.]

Mr. RALSTON: And the engineers?

Mr. SUTHERLAND: At Petawawa.

Item agreed to.

Permanent force, $4,910,034.

Mr. RALSTON: What strength is it intended to carry under this item?

Mr. SUTHERLAND: Practically the same as last year. The strength at the end of January was 3,531.

Mr. RALSTON: That is all ranks?

Mr. SUTHERLAND: All ranks.

Mr. RALSTON: How many officers?

Mr. SUTHERLAND: 418.

Mr. MITCHELL: How many men?

Mr. SUTHERLAND: 3,114.

Sir EUGENE FISET: I notice that by P.C. 84-G the Department of National Defence is charged with the operation of the relief projects in the various camps. This order in council seems to indicate that the department must not only officer, command and administer these camps but shall purchase supplies and equipment as needed. I should like to know how payments are made in these cases. Is money transferred from the relief fund to the department, or are the bills sent direct to the Department of Labour?

Mr. SUTHERLAND: Money is voted to our department by order in council and we pay the bills.

Mr. WOODSWORTH: In connection with relief camps, I should like to refer again to a matter which came up under another item. Accidents sometimes occur in these camps and there is no provision for the men being brought under the provincial workmen's compensation acts. As much care as possible may be exercised but accidents occur. Simply because these camps are under the Department of National Defence is no reason why there should not be some arrangement with the provincial governments whereby men injured would receive compensation. I should like to know what action can be taken along these lines.

Mr. SUTHERLAND: There have not been very many serious accidents. There was one unfortunate accident at Petawawa a couple of weeks ago where a man was fatally burned. That is the only real serious accident of which I have heard.

Mr. WOODSWORTH: I hope that it will not be necessary to have a great many fatali-

ties before a policy is adopted. I have heard of a number of accidents in my part of the country. I assume that some were minor accidents but they were of a character which would be covered by the compensation act. These men are taken out of regular channels of trade and put to work under the direction of the Department of National Defence, and it seems only reasonable that some compensation should be provided for them or their dependents.

Mr. SUTHERLAND: The great majority of men in these camps have not been taken out of other vocations; they have not been working at all. If something does happen to them they are given the best of medical care, nursing and hospital treatment until they are ready to go back to work.

Mr. LAPOINTE: How many men are at Valcartier at the present time? Is it the intention of the department to increase the number of men at this camp? I heard the minister state over the radio the other day that many men in these camps are being absorbed into industry and it was expected that the number located there would decrease. However, I was told in Quebec recently that it is the intention to increase the number of men at Valcartier, and I should like to know whether that statement is true.

Mr. SUTHERLAND: There are 1,569 men at Valcartier and we would be prepared to take on several hundred more if the need arises.

Sir EUGENE FISET: I understand that men making application to enter one of these camps have been told that there is a fixed establishment and no vacancies exist. I had the applications of two or three men last year who wanted to be taken on at the citadel but I was told there was no vacancy. I asked if any vacancy existed at Valcartier, and I was told there was none. A few days afterwards a vacancy did occur. I should like to know if there is a fixed establishment which cannot be exceeded, and also the procedure to be adopted to have a man received at one of these camps. Should he apply to the officer commanding the district, or to the camp commandant? Are the camp commandants permanent officers, or are they selected by the minister?

Mr. SUTHERLAND: We can accommodate only 423 men at the citadel. On February 28 the strength was 420.

Sir EUGENE FISET: Is that camp at the citadel for men of Quebec only?

Mr. SUTHERLAND: It was originally started to take care of men from Quebec city; the men from outside the city would normally be sent to Valcartier. The hon. gentleman inquired as to the mode of procedure. The normal course is for a man to apply to a dominion or provincial labour bureau, or if there is no such bureau in his municipality, to the mayor or the reeve. His application would be sent on and he would be taken into a camp if a vacancy existed.

Sir EUGENE FISET: Would a member of parliament be considered the same as a mayor or reeve for this purpose?

Mr. SUTHERLAND: If any hon. gentleman has a case in mind, we would be quite prepared to rely upon his judgment that the case is a proper one, that is, a single, homeless and unemployed man. If any hon. member sends a name along we would not need any further vouching.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock, Mr. Stirling in the chair.

National Defence—Permanent force, $4,910,434.

Mr. REID: The minister was good enough to indicate to the committee that under this item we might discuss some matters in connection with the camps. What I have to say is not so much by way of criticism as by way of suggestion to the minister. Before the camps in British Columbia—and I am speaking of the camps on the lower mainland—were taken over by the Department of National Defence and while they were under the jurisdiction of the provincial government, supplies for them were purchased locally. The purchasing agent would buy locally potatoes, carrots, beans, pork, mutton, in fact all the eatables, and it was of considerable benefit to the farmers in the vicinity of those camps to have the purchases made locally by the purchasing agents. But when the change took place, all that was cut out; supplies then began to come from the city of Vancouver and companies like Swift and Burns began to supply them. In these times the system of purchasing supplies from the local farmers ought to be continued.

I listened to the minister's statement that those supplies were bought locally wherever

it was possible, but that it was not always possible to purchase from the farmers. I can assure him that so far as the three camps in my constituency are concerned, the farmers in the vicinity are well able to supply them with all the eatables required, with the exception, of course, of flour and so forth, which has to come from milling companies. But I visited one of those camps last December and I think the minister should be made aware of the situation that while there were some three hundred men in the camps near Whiterock, they were still purchasing from outsiders supplies of wood and having it hauled by a local contractor. It was a matter not just of having the wood hauled but of having it purchased from local contractors. As I say, there were three hundred men there and at times difficulty was experienced in finding work of a profitable or desirable nature, so I think those men should have been put to work at cutting the wood for the camps.

I was in another place near the boundary of Alberta and the supplies for the camp there were coming from Vancouver, but a large quantity of them had come from Edmonton and Calgary, gone right past the camp to the city of Vancouver and then were sent back over the railways to that camp. It is only my duty to draw these matters to the attention of the minister, but particularly I refer to the purchase of supplies from the farmers in the vicinity.

I feel assured—and I would like the minister, if he has the prices, to give them—that his department is paying much more for the supplies bought from the wholesale companies than they could be purchased at from the farmers locally. It would have been of great assistance to the farmers there had the government continued in force the system that prevailed before the minister's department took over the camps. I think some explanation should be given why the supplies are being purchased wholesale, because that angle of the situation should be taken into consideration and the farmers in the vicinity given an opportunity of supplying all the beef, pork, mutton, vegetables, butter and eggs required. As a matter of fact, they were able to supply and were supplying that produce to the camps during a period of at least two and a half years.

Mr. SUTHERLAND: I realize fully the sound sense in what the hon. gentleman says and so far as possible we are quite willing to buy our supplies locally, but the committee must remember that we must have continuity of supplies when we have, as the hon. gentleman says, three hundred people in that camp. We must be assured of having the supplies come in regularly and that cannot be done if we deal with individual farmers. We have not, in charge of the camps, a man experienced in dealing with produce, neither is he supplied with transportation to go out and get into touch with the farmers. I have given this matter considerable thought and it seems to me that the way to get the full benefit of local buying would be if the farmers had an organization, a farmers' club or a cooperative circle there, so that we could deal with one man. That would make it much easier to guarantee a regular service in the way of supplies and would use up the produce of the locality. We should be glad to do that and we are trying as much as possible to do it.

Mr. REID: I am glad the minister mentioned that, because for his information I might say that we have a farmers' organization such as he has described, comprising over one hundred farmers, growing vegetables of all kinds, and the local manager of that organization could not get a look-in at all, immediately the camps came under the jurisdiction of the Minister of National Defence. Prior to that time there was no trouble in the purchase of supplies. The manager of that corporation interviewed the officials, but they told him that they would not buy their supplies through it. I am meeting all the arguments of the minister, and I believe I am putting up a very good case.

Mr. SUTHERLAND: I do not think the hon. gentleman, if I remember correctly, ever wrote me to that effect. If his organization is there and prepared to do business and if he will let me have the name, we shall be very glad to give the man an opportunity to tender.

Mr. MACKENZIE (Vancouver): I do not know whether the minister gave the information this afternoon—some of us were attending a committee meeting—in regard to the total number of camps in each province for single unemployed homeless men, and also the total number of men in each province in such camps.

Mr. SUTHERLAND: The figures are as follows:

Province—	Number of camps	Number of men
Nova Scotia	1	308
New Brunswick	4	635
Quebec	5	2,165

Mr. POWER: Where are the camps located in Quebec?

Mr. SUTHERLAND: Megantic, Bishopton, Quebec—that is the citadel—Valcartier and St. Johns at the barracks.

Mr. POWER: What is the number of men at each camp?

Mr. SUTHERLAND: At Megantic, 64; at Bishopton, 67; at Quebec, the citadel, 420; at Valcartier, 1,569; at St. Johns, 55. In Ontario there are 34 camps with 6,335 men; in Manitoba, 6 camps with 572; in Saskatchewan, 3 camps with 1,152; in Alberta, 8 camps with 1,330 and in British Columbia, 62 camps with 7,390.

Mr. MACKENZIE (Vancouver): What is the total?

Mr. SUTHERLAND: It was 19,887 on the 28th of February.

Mr. MACKENZIE (Vancouver): Have the numbers in these camps been increasing or decreasing in the last three or four months?

Mr. SUTHERLAND: They are increasing gradually.

Mr. VENIOT: Where are the camps located in New Brunswick?

Mr. SUTHERLAND: At Blissville, Upper Brockway, the municipal airport at Saint John, and Coulter's Siding.

Mr. DONNELLY: Where are they located in Saskatchewan?

Mr. SUTHERLAND: Dundurn, Ladder Lake and White Fox. At Dundurn there are 1,052 men; at Ladder Lake, 54; and at White Fox, 46.

Mr. WEIR (Macdonald): And where in Manitoba?

Mr. SUTHERLAND: At Lac du Bonnet, Winnipeg air station, Duck Mountain, the headquarters of military district No. 10, Caddy Lake, and Shilo.

Mr. MACKENZIE (Vancouver): Can the minister give the reason for the tremendous number of camps in British Columbia? Is it because unemployment is worse there?

Mr. SUTHERLAND: I do not know that it is, but the provincial government had a great number of camps there and we took over all they had.

Mr. WOODSWORTH: Could the minister give the cost of operation for the past year? I understand that the actual administration is done by the department, so that the cost would be exclusive of that.

Mr. PERRAS: Could the minister give particulars as to what proportion would be in the province of Quebec?

Mr. SUTHERLAND: Proportion of the money spent? I will try to find that. The expenditure from the inception of the scheme, about October, 1932, up to October 31, 1933, was $3,125,411.

Mr. PERRAS: I would like some further particulars, if the minister would be kind enough to look into the matter and give a fuller statement.

Mr. SUTHERLAND: I assume the hon. gentleman would like me to give a fuller statement on the whole system.

Towards the fall of 1932 it became apparent that there were many young men of a certain class who were not fitting in under the existing systems of relief, notably men moving around from one town to another and having no particular home ties. They were very difficult for the municipalities to deal with, so it was urged upon the government that it was their duty to look after these men because, in many cases, they were not really residents of the towns or cities in which they happened to be. The government accepted that responsibility and asked the Department of National Defence to propose some scheme, because we had a nationwide organization in practically every province, and were able to take it on. The department was very glad to do what it could. The scheme was restricted to single, homeless, unemployed men. As there was at that time a good deal of work that could profitably be done in connection with airports, we first started on that plan, because, as the committee knows, for several years there had been a plan for a transcontinental airway. It had to be dropped for the time being in 1930, but still the engineers were looking forward to its being reestablished, and they had the sites pretty well selected. So it was on the work of clearing those sites that the scheme was first brought into being.

Mr. MACKENZIE (Vancouver): How many sites were cleared?

Mr. SUTHERLAND: The transcontinental airway was complete as far as the prairie section went. They were night flying there until 1931. The British Columbia section was well planned out although nothing had been done. The worst barrier to the trans-Canada airway was in northern Ontario; we started there putting in these camps about twenty-five miles apart, because while under

ordinary circumstances the mail planes will go four or five hundred miles at a jump, they have to have these intermediate landing places in case of trouble or bad weather. The airway follows from Winnipeg along the northern line of the Canadian National to Cochrane, then down to the vicinity of North Bay, thence eastward to Ottawa and Montreal, down through Bishopton and Megantic and across the state of Maine to Moncton and Halifax. The idea is that in the future it will link up with some transatlantic air project, either ship to shore, or, in the more distant future, with direct flights, say, from Ireland to Newfoundland.

Mr. MACKENZIE (Vancouver): Have these all been completed?

Mr. SUTHERLAND: No, but a great deal of work has been done on them. The work these young men have been doing, while not one hundred per cent perfect—we did not expect that—has been very good indeed, and in most cases they have been much interested in their work.

Mr. PERRAS: I wish to thank the hon. minister for his explanation.

Mr. RHEAUME (Translation): According to the report which the hon. minister read to us just now, 55 men were stationed at the camp of St. Johns; out of that number how many reside in St. Johns?

Mr. SUTHERLAND: There may be none from St. Johns, because the camps are not necessarily placed in localities where that work is done. For instance, the camp at Petawawa is very largely made up of men from Montreal; the camp at Lac Seul, which is in Ontario, was begun primarily to relieve conditions in the city of Winnipeg, and it is quite possible that there may be none in St. Johns.

Mr. RHEAUME (Translation): I wish to inform the hon. minister that there are in St. Johns veterans who have no relatives, are unemployed and cannot obtain positions at that camp. The hon. minister stated, just now, that they were probably not in good health. Does the department intend to make military men of these young men who are in these camps or is it simply a matter of helping them out of poverty?

Mr. SUTHERLAND: There is absolutely no question of military training or anything of that kind in connection with any of these camps.

[Mr. Sutherland.]

Mr. RHEAUME (Translation): Is a good health necessarily required to be admitted to these camps.

Some of them are in good health but it is said others are not fit to go to these camps.

Mr. SUTHERLAND: These projects are primarily for the fit men; there must be some other way of dealing with people who are not fit. It would not do for a man who had heart trouble or some latent tuberculosis to go where undoubtedly there is a certain amount of roughing it. There must be some other scheme for dealing with people of that kind; these camps are for healthy, unemployed young men.

Mr. RHEAUME (Translation): On whose recommendation were these persons given positions in the camp at St. Johns?

Mr. SUTHERLAND: These men go to the camps on the recommendation of the dominion labour office, if there is one at the particular point; if there is not, they are recommended by the provincial labour office or, if there is no such office, by the mayor or the authorities of the municipalities.

Mr. RHEAUME: I know of some young chaps who tried to get placed in these camps and their applications were refused because they had the reputation of being Liberals, and I know other young men who were placed in the camps because they were recommended by the defeated Conservative candidate at the last election. I am surprised at the way they are treating our people in St. Johns; they cannot get to the camps at all. My understanding was that these camps were established for young chaps from the cities who had no homes and were absolutely on the street, but that is not the rule that has been followed in St. Johns. Some young chaps went down and made application, and they were told to go and see Mr. Yvan Sabourin in order to get his recommendation. I know that in some cases they could not get a recommendation, the answer being that there was no place for them because they had the reputation of being Liberals. I do not think that is fair. I know many young chaps in St. Johns who would be glad to go to these camps. Could the minister say what work they did last winter in this particular camp? I do not believe they did very much.

Mr. SUTHERLAND: I can assure my hon. friend that there is no politics whatever in the selection of these men. I can hardly conceive that Mr. Sabourin would refuse any such applications, as my hon. friend has said. Of

course I would take that gentleman's word if he said a young man had no home and had no work; I would take his word that the young man was a fit subject for one of these camps. Then that man would have to be examined by some doctor, and if he were found to be physically fit he would be eligible to go to a camp. If the hon. gentleman himself has any particular case in mind I am perfectly willing to take his word on those two points, as to the person having no home and being unemployed. Then he would have to undergo a medical examination, after which he could go to a camp.

Mr. POWER: It does seem a sad commentary on the state of the country that it should be a matter of patronage to get a 20 cents a day job, but that is a fact; it is a fact in the city from which I come, at all events. You cannot get into the Quebec citadel and get a job at 20 cents a day unless you go first to the Tory organization. Under this government people have been reduced to such a state that they have to beg for a job at 20 cents a day, and this is not the only case; patronage is rampant all the way through. I doubt very much if there is a loaf of bread, a pound of biscuits or a pound of tea purchased there except under the patronage system. This whole organization has been the playground of patronage mongers ever since it was started.

With reference to the city of Quebec I see there are 420 men employed in that camp, and I think at one time the number reached about 600. They have been remarkably well behaved, and apparently a large number of them are happier in the citadel than they would be outside, but in spite of the assurances given by the minister and I think by the Solicitor General at the time this scheme was introduced, I very much fear that these men are being employed on work which could be performed by married men and others of the civilian population in the city of Quebec. I beileve they are undertaking the repairing of the walls of the city. For the idea of repairing the walls I am very grateful to the government; ever since I have been a member of this house I have been urging on all governments that the historic walls and fortifications of Quebec should be put in some sort of repair. But by employing these men on that work and doing it cheaply the government are depriving stone masons, carpenters and labourers of the city of Quebec of legitimate employment. I think this is wrong; I believe it is a mistake; and in my opinion the government have followed the wrong course in taking this action. I do not believe these men are doing the work they should do. The other day I was going down the street and happened to run across a few of these men, with whom I had a little chat. One of them was sitting down, and I said, "Having a pretty good time?" to which he replied, "Yes." His pal said, "That fellow has not moved from that rock on which he is sitting since he came here at eight o'clock this morning," and the chap sitting down answered, "What the hell do you want me to do for ten cents?" This was before noon, so I do not suppose they did very much work for their ten cents that morning, or very much for their ten cents in the afternoon. I do believe the government are taking away employment from other people in the city.

Then at Valcartier I believe there are some 1,569 men, and if the newspapers were accurate, at one time there were something like 1,700 men there. I understand that at Valcartier they are building an arsenal, though I am subject to correction on that. I am told, however, that they are laying the foundations for an arsenal, and I suggest that an arsenal is not a very useful public work in these days, when the whole world is preaching disarmament. I can readily understand how work could be done in clearing up the camps, and in reforestation, which later might be found useful, but to build an arsenal in Canada at this particular time is, I think, quite unnecessary. I have serious doubts as to the homelessness of a great many of the men in the camps. I speak subject to correction when I say that there are a great many farmers' sons in some of the country camps, and that many of those young men have as good homes as any hon. member in this house. So far as the city of Quebec is concerned I know personally very few of the men in question, but I believe those at the citadel are nearly all citizens of Quebec city, and are men who, to a large extent, have homes. They may have been burdens on their homes, and I do not know that I can blame the government for taking them in and giving them good food. But to say that these men are homeless transients is not giving an accurate picture of the situation. They are not. We would be giving a more accurate picture if we were told that they are taking the work from other men.

I shall give the minister an example in his own department. For the past fifteen or twenty years, or more than that, a number of men were employed by the militia authorities on what were called engineering services and works. The number of men employed

ran from thirty to forty, and it was considered they had more or less a permanent job. For many years they were employed every day. Since the inauguration of the camp at the citadel, however, these men worked for something like three days a month. The great majority of them were married, and at least ninety per cent, if not the whole one hundred per cent, were returned soldiers. I know that, because during the time the Union government was in power in Canada I had a great deal to do with making appointments to those positions. And, during the time the Liberal government was in power, when I was not seriously interfered with by my colleague from Quebec East, I had a good deal to do with those appointments.

An hon. MEMBER: Patronage.

Mr. POWER: This was straight patronage, absolutely; these were government jobs, and we do not make any bones about it. But we did not go whining about the country saying that we were relieving the unemployed when, in fact, we were just trying to relieve our own party. There was one stipulation, however, and it was that these men all had to be returned soldiers. Their work was reduced to something like three days a month, and, I understand that more recently, in October, as a result of representations made directly to the Prime Minister, they have been given about four days a week. The fact remains that they were deprived of their jobs which, in some cases, they had enjoyed for ten or fifteen years, and these unemployed were doing their work. That is a situation which should not be allowed to continue. These married men who have been in the habit of getting steady wages should not be deprived of them on account of these men.

Mr. McGIBBON: I would not intervene in this discussion were it not for the unfair picture which the generally fair and good natured member for Quebec South (Mr. Power) has presented. I would not like the impression to go out to the country that relief work is done through patronage. There is one camp in my riding and another one a short distance north, and in connection with neither has there ever been any thought of patronage. As a matter of fact the men come in there upon the recommendations of the reeves of the municipalities. I think even my hon. friend will agree with me that the Conservative party cannot monopolize the election of all the reeves in the country.

[Mr. Power.]

Mr. POWER: If it is under the jurisdiction of my hon. friend I know it will be done fairly and justly. I am not complaining about him; I am complaining about his colleagues in my district.

Mr. McGIBBON: I know that as a matter of fact such a thing has never occurred in the camp in my riding. So far as I know—and I believe I know a little about it—the contracts have all been let by tender. Many Liberals have secured them, in fact more than I would have given had I been in charge—I must be quite frank about that. The camp has done that which I believe it was intended to do; it has relieved the muncipalities of a relief burden which undoubtedly they would have had to carry. I have repeatedly told municipal authorities that if they have men in their municipalities whom they have to feed, they should if possible send them to these camps. Undoubtedly the action of the government in this connection has made it easier for the taxpayers in many municipalities. Moreover, the camp has been a sort of home for that class of people generally known as tramps, men who go wandering through the country and hammer at your door for something to do, or, at night, some place to sleep. When that occurs I direct them to the military camp.

The statement has been made that all are not taken in. That is quite true. I must say, however, that they are not taken in because there have not been sufficient facilities to house and feed them. These camps are generally built on specified bases to accommodate one hundred, one hundred and twenty-five or one hundred and fifty people. In my part of the country there might be three hundred applications, and as there are not sufficient facilities of course some applicants cannot get in. To my mind that is not the fault of the undertaking. Probably it was not expected that the facilities would have to be of such great magnitude as circumstances have shown they should have been. I should like to commend the minister on the fairness of the distribution he has made; I wish I could compliment him on paying the men a little more than twenty cents a day. As I said, however, even the twenty cents a day has been a godsend to many of these people, some of whom are young and have no homes, and nearly all of whom would otherwise be on relief. I say it has been a godsend to them, and has relieved the municipalities of a considerable burden which would have been added to the taxpayers' sheet.

These people in my riding are happy. I have visited them, and know they are contented. They have a pretty good time, and they have a right to it. I do not think we should ask them to give one hundred cents' worth of work for twenty cents, but we must remember however that they get their clothes, food, housing and free medical attention, so that to say they receive only twenty cents a day is not a fair statement. They are told repeatedly, and personally I have tried to encourage them, to leave the camp if they can do better elsewhere, but in the last five or six months I have not heard of one who has left. They are not compelled to stay there; the door is open to them, and they can walk out at any hour of the day or night. The camps are fairly well equipped; there are rooms for sports during the winter; as a matter of fact I had the privilege of supplying some of the equipment. They have boxing and wrestling tournaments; they have an orchestra and a radio, and on the whole they are contented and happy. I am sorry that the hon. member for Quebec South, has tried to inject party politics into this discussion. He does not very often do that; as a rule he is fair in his statements, but to-night he seems to have fallen a little from grace.

Mr. DUFF: Are there any of these camps for homeless, single, unemployed young men around Ottawa? I presume the government is entitled to some credit if these camps are taking care of homeless unemployed young men—

Sir EUGENE FISET: Do you want to send members of parliament there?

Mr. DUFF: No, but members of parliament have to put their hands in their pockets every morning—

An hon. MEMBER: And at night.

Mr. DUFF: And at night to help these unfortunate young men. It costs me every day of my life at least one dollar, from the time I leave my home on Daly avenue until I get to the House of Commons, to help these unemployed young men, and while I am attending to my duties here there will be four or five homeless unemployed young men at my apartment asking for help. If the government are taking credit for looking after these people, why should I and other members have to spend at least a dollar a day, perhaps more, to help them to get something to eat or drink?

Mr. SUTHERLAND: Of course the department has no power to take anybody off the street and put him into one of these camps, but if a young man is physically fit and goes to the bureau here in Ottawa he would be perfectly eligible to go to a camp and would be received.

Mr. MACKENZIE (Vancouver): I should like to ask the minister two or three questions with regard to a situation that is not clear in my mind. Would he be good enough to inform me who are the heads at the present time of the naval service, the air force service, and strictly the army service.

Mr. SUTHERLAND: General McNaughton is the chief of the general staff. Group Captain Croil is the head of the air force, and Captain Nelles is the head of the naval force.

Mr. MACKENZIE (Vancouver): Why was Commander Lindsay Gordon, who was in the air force, sent out west to command a military district at Regina, and why was Commodore Hose, who was recently head of the naval forces, retired from the service? Was it on account of age or long service?

Mr. SUTHERLAND: Commodore Hose resigned. At his own request he was relieved. I should like to take opportunity on this occasion to pay a tribute to him. He did excellent work for Canada for many years. I never saw a man more interested in his work than Commander Hose was in the navy. He did everything he could. He has the imperial viewpoint. As to Group Captain Gordon, while he was an air force officer, he had also taken a senior course at London in more advanced military work. He is the first air force officer who has been put in charge of a military district. He is a man of splendid administrative ability, and I think if my hon. friend will make inquiry he will find that he is giving every satisfaction.

Mr. MACKENZIE (Vancouver): I am not questioning that at all.

Mr. SUTHERLAND: He is giving every satisfaction not only to ourselves but to the military men.

Mr. MACKENZIE (Vancouver): Who are the two officers respectively who succeed him?

Mr. SUTHERLAND: The two officers who are now there?

Mr. MACKENZIE (Vancouver): I mean who succeeded Group Captain Lindsay Gordon.

Mr. SUTHERLAND: Group Captain Croil succeeded Group Captain Gordon here. Commodore Hose is still on leave pending retirement, and Captain Nelles in the meantime is acting director.

Mr. MACKENZIE (Vancouver): To whom do the heads of the air force and of the naval service report? Who is their immediate head? Is it the deputy minister of National Defence? What I want to get clear is the chain of responsibility. Is the chief of the general staff in control of or superior to the heads of the naval forces and of the air forces in Canada, or is the chain of responsibility here, as it is in most other countries, through the minister, the deputy minister and the respective heads of the various forces?

Mr. SUTHERLAND: The naval forces would report in the ordinary course through the deputy minister to me. The air forces would report to the chief of the general staff. The chief of the general staff and any member of the defence council is at perfect liberty at any time to come to see me or the deputy.

Mr. MACKENZIE (Vancouver): Is the minister quite satisfied that the chain of responsibility is being observed in the service at the present time?

Mr. SUTHERLAND: I have no reason to think anything else.

Mr. MacMILLAN (Saskatoon): In my constituency there is located probably one of the largest camps in western Canada, sheltering at the present time over a thousand single unemployed homeless men. I was surprised tonight to hear the remarks of my hon. friend from Quebec South (Mr. Power). In regard to contracts and that sort of thing I can only say that I have had more trouble with my Conservative friends who have been disappointed than with anybody else, because they have not got contracts. By and large these contracts have gone to Liberal supporters of my hon. friend from Quebec South and his friends on the other side of the house.

My hon. friend from Quebec South also made some remarks in regard to men not being able to get into these camps. I do not know how the camps are run in this part of the country, but probably you are so steeped in patronage matters down here that you expect that that is the only way to run these camps. But it is not the way it is done in western Canada at least. These men go to the government employment bureau or to the police, and from there are sent to the doctor for examination, and if found physically fit they are sent to the camps. There are over a thousand men in the camp I speak of, and I can say from personal experience that they are entirely satisfied with their treatment. I have known of only four during this past winter who were turned out of the camp, and they came back to my city and went to the police and wanted to be arrested as vagrants. They did not succeed in that method of getting a bed and breakfast. Then they went somewhere else. I have had delegations call on me regarding these men. They were men with a great social outlook, and I made it my business to try to get them jobs, which I succeeded in doing. They were thrown out of the camp because they were agitators. They belonged to one of the affiliated organizations of the C.C.F., headed by my right honourable friend from Winnipeg North Centre (Mr. Woodsworth)—the Workers' Unity League.

Mr. WOODSWORTH: Mr. Chairman, I trust the hon. gentleman will stick to the facts in his presentation. The Workers' Unity League has no connection whatever with the C.C.F.

Mr. MacMILLAN (Saskatoon): I am very sorry if my memory did not serve me correctly, but there are so many of these organizations affiliated with the C.C.F. that it is difficult to remember them all. But I have no doubt that there is some semblance of justification for my hon. friend's statement.

Mr. WOODSWORTH: Mr. Chairman, I cannot permit the hon. gentleman to make a false statement and then try to say that that statement had some foundation. There is absolutely no foundation for his statement, and any gentleman would not try to continue that kind of tactics.

Mr. MacMILLAN: It is a strange thing that each time I get upon my feet the hon. gentleman wants to interrupt me.

Mr. WOODSWORTH: I interrupt only when false statements are made concerning myself. The hon. gentleman I say cannot make false statements in this house in my presence without being checked up. He tries to get away with it but he cannot do it.

Mr. GOTT: Then why did you not object to the term "right honourable" which he applied to you?

Mr. McINTOSH: That is a base hit.

Mr. MacMILLAN (Saskatoon): If I made a mistake in putting this organization in the wrong pigeonhole I am sorry; I did not mean to do it. I was simply stating that these four men belonged to a certain organization,

and I may have got the name of the organization wrong. I shall look that up and advise the hon. gentleman whether I am right or wrong. If I am wrong, and the organization is associated with him, I hope he will admit it.

Mr. DUFF: Why did you not get them jobs?

Mr. MacMILLAN (Saskatoon): I am coming to that. These four men were thrown out of this camp for being agitators and carrying on propaganda. As I said, they came to Saskatoon and I took it upon myself to try to get them jobs. Through a friend of mine I was able to obtain work for them in the northern part of the province. They were given work in the bush at reasonable wages, the same wages as other men up in that part of the country were receiving. After a week had passed I was informed that they were doing very well, but that state of affairs did not last very long. Within the next few days the mounted police were called in and these men were taken away. They had served terms in gaol at one time, and three of them were sent back to gaol. There were 996 men left in that camp, and I submit that those who seemed to be perturbed about these four men being thrown out would have rendered greater service to the country if they had gone down and patted on the back the man who was running that camp for keeping the other 996 men satisfied. So far as my province is concerned, the department is doing a very excellent work and I congratulate the minister upon the results which have been obtained in the camp in my constituency.

Mr. MACKENZIE (Vancouver): The minister has given the committee an illuminating description of the airports which are being prepared across Canada. The committee will remember that two years ago several members of the air force were dismissed or let out by the present administration. These men all had wide experience, and I suggest to the minister that as a matter of policy certain senior officers could well be dispensed with and these men taken back into the force. I think we have far too many senior staff officers. Doubtless they have rendered splendid service to the nation, but I think their services could well be dispensed with. If it is necessary to carry out a real defence policy for Canada in the future, I think the air force will play a most prominent part in that policy. The minister should be commended for the preparation of these airports, but I believe it would be a very popular and democratic move to take these men back into the service.

Mr. SUTHERLAND: I do not know when I have regretted anything as much as having to let these particular men out. As the hon. member has said, they had given good service, but when you cannot get the money there is nothing else to do. As far as senior officers are concerned, the air force is a little different from the infantry, the cavalry or the artillery. In those branches there are a few men coming in and a few going out every year, but in the air force, which really did not get started until after the war, the men have all come up together. Entirely different qualifications are required for a war time pilot and a commercial pilot. The only object of a commercial pilot is to get his passengers and plane safely down to the ground; if he runs into bad weather or anything of that kind he lands, but a war time pilot cannot help but be reckless. Only young men can be used in this service. They have to fly upside down, inside out and every way to fight in their planes. I realize the importance of what the hon. gentleman has said, and this matter will have to be dealt with at some time.

Mr. MITCHELL: I congratulate the minister upon what he has just said, and I should like to quote from an article by Mr. Thomas Wayling entitled The Brass Hat Parade which appeared in the November issue of the Canadian Magazine. It reads:

> Brass hats are on parade in Canada now from coast to coast. There are now permanently employed three major-generals, eleven brigadiers, twelve full colonels, thirty-two lieutenant colonels, sixty-nine majors, ninety captains and seventy-four lieutenants. These figures include forty-eight officers who wear the red tab and gold lace of the staff officer.

An hon. MEMBER: Scandalous.

Mr. MITCHELL: Some one says "scandalous," and I agree with him. This looks like a form of unemployment insurance for army officers who might well be retired. The minister is quite right in saying that this thing should be looked into. The minister told me this afternoon that there are 7,000 officers in the non-permanent forces. In 1913 there were only 4,452 officers, one officer to every six and one-half men. In the permanent forces there were 418 officers to 3,114 men, or one officer to each seven men. In France in 1916 there were 4,452 officers to 104,251 of other ranks. I realize the conditions which existed in those days in France, but I cannot understand why there should be so many officers in Canada at a time when

there is a world wide cry for disarmament. We have more officers to-day than there were in 1913. I agree with the hon. member for Vancouver Centre (Mr. Mackenzie). I think the department should endeavour to make a saving and apply it in the building up of an air force. Twenty-five years from now I believe that most of the people who will have to travel long distances will do so by air. That is inevitable, whether or not we like it. The government should give serious consideration to the matter before deciding to wipe out the air service. If economies are to be effected, they should be effected by reducing the comparatively large number of officers in the militia department.

Sir EUGENE FISET: I should like to revert for a moment to these famous camps. Either last year or the year before, the board of trade and the municipal council of Rimouski sent petitions to the department asking that one of these camps be established at the aviation field in that city. They called the attention of the department to the fact that a great deal of work needed to be done on the aviation field, and also that the nearest rest camp was 180 miles from Rimouski. They stated that there was not a rest camp on the lower St. Lawrence and that one was needed very badly. The answer received to this petition was that the matter was under consideration. That is over six months ago. I wonder whether due consideration has been given to the request and what answer they may expect.

Mr. SUTHERLAND: So far as its having a bearing in connection with the Trans-Canada route is concerned, the route will not run in that direction. I can understand that there might be a necessity for a camp down there in connection with a service that might at some time be coming up the St. Lawrence from the gulf. My impression was that the landing field there was in fairly good shape and that it has been in use almost constantly in the summer.

Sir EUGENE FISET: I know that, but there is a great deal of levelling to be done. This is gradually being done by day labour during the summer, but what the board of trade and the municipal council of Rimouski and all the surrounding parishes desire is to have one of those rest camps to provide the young men who have no home, first of all with shelter and then with food in connection with the relief work. If we have to send our young men 180 miles to Quebec, that is practically prohibitive. The base field at Rimouski will serve not only Rimouski but also all the surrounding counties. For that reason I think consideration should be given to the request.

Mr. SUTHERLAND: I shall be glad to look into the matter. I do not know about it personally.

Mr. COTNAM: I would like to say a word in connection with relief camps, as I happen to know something about the camp at Petawawa, project No. 40. That camp was inaugurated almost at the beginning and at the present time we have in it in the neighbourhood of one thousand to twelve hundred men. I have been through the camp repeatedly and I have heard those camps alluded to in the house as slave camps. The only people who are complaining about those camps are politicians who are anxious to make a little political capital out of the unemployment relief situation.

The camp at Petawawa is a credit to the minister, to General McNaughton and to the officer commanding who is at present in charge of that camp, Colonel Bogart. I have gone around among those young men and they are well dressed, well fed and well housed. I wish to corroborate every statement that has been made by the hon. member for Muskoka-Ontario (Mr. McGibbon) and also by the hon. member for Saskatoon (Mr. MacMillan) with regard to the camps in their respective constituencies. I have not heard any complaints from the lips of the young men who are employed in those camps and in most instances they are as fine a type of young Canadian manhood as one would care to look upon any place in this country.

With respect to the purchase of supplies for those camps, supplies have all been tendered for and contracts awarded to those submitting the lowest tenders. I am sorry that the hon. member for Quebec South has perhaps spoiled some of his young men in that he says they sit down and do not care very much to work.

Mr. POWER: Not my young men, the Solicitor General's young men. I have not a thing to do with them.

Mr. COTNAM: Well, someone must have gone down there and set them a bad example.

Mr. POWER: Yes, the Solicitor General.

Mr. COTNAM: The young men in camp at Petawawa are doing a fair day's work; in fact some of the farmers there have told me that those young men are doing as good an

average day's work as the ordinary labouring man. They have been doing excellent work in that camp; they have been clearing the landing field; they have put up many new buildings that under ordinary circumstances would perhaps not be constructed for years; they are providing artillery practice grounds and constructing roads, and I really think when the roads are a little better for automobiling, hon. members could not spend a more profitable day than in visiting and looking over Camp Petawawa, project No. 40. If they do so and if they do not return to the house and say that those men are as fine a type of young Canadian manhood as one could find anywhere, I shall be very much disappointed.

With respect to the manner in which those men are engaged, there has not been in that locality at any time even the slightest tinge of patronage. As regards every single unemployed homeless young man, and I think I might say some of the unemployed young men who belong to families receiving relief in the town of Pembroke, all they had to do was to go down and make application at the employment bureau. If there was accommodation in the camp, those young chaps were then sent for medical examination and if they were physically fit, there never was any question about their getting into the camp.

With respect to the purchase of supplies, they have been in large measure purchased locally by tender. If I had any fault at all to find with the administration of that camp, it would be only on the one point that when meat supplies were being obtained, the supplies were bought not locally from the farmers in that section of the country but from the Canada Packers organization and shipped from Toronto.

An hon. MEMBER: Are there farmers' sons in that camp?

Mr. COTNAM: Farmers' sons have not been employed in that camp. Everything considered, I would think if the camp in that locality is a fair sample of the camps as they are carried on in other sections of the dominion, they constitute a great factor in creating under present conditions homes for our young men where their morale is maintained and from which, when this depression has passed, they will be ready and willing to take their place in the active occupational life of the country.

Mr. WOODSWORTH: In connection with this item we have covered a great deal of ground and I should like to add a few words with regard to the relief camps. I can quite understand that life in those camps may be much superior to that in very cheap lodgings and around the soup kitchens that have been established in many of our cities, but it does not seem to me the proper thing that relief camps should be under the Department of National Defence. I can readily appreciate that the government might wish to make use of machinery which is lying ready to its hand. I can quite understand that those camps might be conducted with a certain degree of efficiency, but I do not like the idea that men who are out of work through no fault of their own should be forced to be under military supervision. It is against the very best traditions of British countries.

Mr. SUTHERLAND: They are not forced.

Mr. WOODSWORTH: They are in practice forced. I do not mean to say that there is forced labour in the sense in which we have thought of it in some countries, but when a man is hungry and in a bad way, economic necessity forces him. There being no other provision for unmarried homeless men than this they are practically forced, if they want to get anything like a decent subsistence at all, to go into these camps. It is in that sense I used the word. I know the camps are preferable to the very insanitary and uncomfortable conditions prevailing in our cities. It may well be that twenty cents a day is better than nothing, but I cannot conceive that twenty cents a day is sufficient to satisfy anybody who has any ambition.

Mr. COTNAM: Would the hon. member permit me? The men in the camp at Petawawa are not complaining; who are the people complaining about these men? The men themselves are not.

Mr. WOODSWORTH: The hon. gentleman has stated that the only men who are complaining are the politicians. I have talked with many scores of people, not at Petawawa, but located in camps adjacent to my own city, and I find that these young men who have any ambition are not satisfied to go along week after week and month after month getting a bare living at twenty cents a day. It is very generous for the hon. gentleman to suggest that these camps are homes for young men. Of course I can quite understand the accommodation offered is better than sleeping on the streets or in the cheap lodging houses. But I cannot consider that barrack life is in any sense home life.

Mr. COTNAM: I could take the hon. gentleman to the camp and let him see for himself.

Mr. WOODSWORTH: I have been through one or two of the camps and seen for myself. Possibly the hon. gentleman might get it through his head that other men come to conclusions different from his, and yet may be equally sincere and observant.

Mr. COTNAM: You might at least be fair.

Mr. WOODSWORTH: I am trying to be fair.

Mr. COTNAM: You are not.

Mr. WOODSWORTH: The hon. gentleman made his speech and gave his observations and conclusions. My conclusions are that although conditions in the camps may be preferable to many that exist in the shelters in the cities, I do not think we can say that this method of handling the relief problem is satisfactory. I would much rather discuss these problems when the estimates of the Department of Labour are before the committee, because that is naturally where such matters should come, but since this branch of the relief service has been taken over by the Department of National Defence the only place for me to criticize is on the estimates of that department.

It seems to me that any relief policy should provide what I might term real work for these men, work of a permanent and abiding character. I know that shelters are being erected that may be of some permanent use; I know there will be a certain amount of clearing and that kind of thing, so that their labours are not altogether lost. But I should like to think of these tens of thousands of young men being given real work, the kind of work for which they are individually fitted, and which they may feel is of value to the country, and at real wages. We talk a good deal about individual initiative and the need of incentive and reward. Yesterday it was titles. We are told that we must have the incentive of high rewards to get the best work. Surely if these things are necessary for people a little higher up in the social scale or a little better fixed financially, they are also desirable for people who are thrown out of work. I should like to think that if skilled mechanics are giving their services, they should be paid somewhat in proportion to the value of the kind of work they are giving. Under a competitive system, if we do not do that it is only a question of time until this situation will be reflected in generally lowered standards of living among the skilled trades. It may be that the food is reasonably good, the clothing fairly suitable, but I suggest that these young men do not live by bread alone; none of us do, or even bread with a few gramophones and athletics thrown in.

Mr. PLUNKETT: They are living by agitation now, some of them.

Mr. WOODSWORTH: The hon. gentleman may think he is very smart in implying that I am an agitator. If he likes to call it such I suppose he is free to do so. I am within my rights in this house in pleading for another way of dealing with unemployment.

Mr. COTNAM: Would you commend anything?

Mr. WOODSWORTH: I submit that we should be planning how these hundreds of thousands of young people may at the earliest opportunity be given a chance to establish themselves, not in places of this kind but in their own homes.

Mr. YOUNG: To get married!

Mr. WOODSWORTH: Yes, get married, because without the opportunities of normal family life a great many are forming habits that they will not be able readily to shake off. I think an opportunity ought to be afforded them of getting steady employment and preparing themselves for their life work. I am not blaming the Department of National Defence for their policy in caring for the unemployed; they may be doing their level best, but I urge that the government ought to be held responsible for dealing with unemployment in some different way.

I do not want to dwell further on that; I will come to the item itself we are considering under National Defence, which amounts to almost $5,000,000. It seems to me that the Department of National Defence differs from almost every other department whose affairs come before this house in that we have never yet been able to get from the officials a clear-cut statement of their policy. Against whom are we preparing to defend ourselves? What is this heavy expenditure of $5,000,000 intended to accomplish? I do not think that is an unfair question to ask.

Mr. McGIBBON: That is what they said a few months before the war broke out.

Mr. WOODSWORTH: It may have been; I was not in the house at that time. The war did break out and was fought through. After the war was over we were told that we were

going to enter upon a period of peace. But the policy of the department did not vary a great deal. Gradually its estimates were cut down. We hardly know what the defence policy of this country is supposed to be. Now it would seem as if we are going to be called upon to join in a race in armaments. Again I am not speaking merely of our own government but I point out that our own government is apparently contemplating something of this kind, and unless some direction is given by the house I do not see how the department can very well avoid travelling in that direction. In a recent issue of the Montreal Gazette, January 31, 1934, I notice an account of an address given by Major-General McNaughton, in which he told of some of the newer and more efficient weapons, and he concluded thus:

> In history, we are not long concerned with nations unable or unwilling to keep pace with armament developments. However notable their civilization, however brave their warriors, and however adept their statesmen in the art of treaty-drafting, they soon pass from the stage before the onward march of those well able to forge and wield the newer weapons.

So to-day apparently the chief of staff is preparing to provide us with more recent and more efficient weapons. I presume that that is his job as chief of staff, but I would say that it is the job of this parliament to say whether that is the way we propose to defend this country.

I noticed the other day a very interesting article in Canadian Business, which is published by the Canadian Chambers of Commerce, from which I will read a few sentences:

> Canadian business men are no strangers to war in the past tense. Too many of those we knew fought and died. All glory to them and credit to those who have returned to carry on. So much for the past. The future is an entirely different matter. Canada doesn't want another war, but if there should be one, Canadian business will have to foot the bills. As our friends "The Extremists" have told us, war is much too expensive, even though it is far from impossible. If you don't believe it, let's look at some costs—then think until it hurts before entering another.
>
> In the good old days a true sword in the hands of an able man was an excellent and economical military investment. Then along came gunpowder, and with it the customary cost budget: two bullets equalled one fatality. However, as we entered the machine age, warfare became its apt pupil and best customer. Result: it now costs $25,000 to kill a soldier.

That is from the business standpoint. I think we are all beginning to realize the terrific cost of war. We cannot very well look over the world situation to-day, whether in Europe or in Asia, without realizing that another war is quite a possibility. So it seems to me that we, as a nation, have to decide very definitely what action we should be prepared to take, and how we plan to defend ourselves. Are we simply going to enter upon this armament race, as the nations have done again and again in the past, or is it possible for us to devise some other means by which we can contribute alike to the safety of the world and to our own security? I think that is the question which ought to be faced by this house. It ought not to be sufficient for these estimates to be presented and for us to discuss whether or not we want another camp here or a militia unit established somewhere else; those are questions which undoubtedly will have to come before any advisory committee on defence. Rather it is for us to consider the main policies and what is necessary under those policies.

The other day I came across this statement, which very well opens up the whole question:

> I appreciate the seriousness of the statement that I am about to make to this honourable house, but I am giving my considered, definite opinion when I say that I cannot conceive of any developments which would justify this country in sacrificing the blood of one single Canadian on the future battlefields of Europe. Let us look ahead! We must! We generally get into trouble by not taking the long view. Let us act in such a way that we can honourably decline to participate when the hour arrives.

That was said by a prominent Canadian military man in another place, and I believe that statement places the situation squarely before us. Whence are we to look for security? Are we in Canada to adopt an isolationist policy; are we to say that we must prepare to defend ourselves against all comers and that through our own unaided efforts, by means of our military equipment, our great navy and our air force, we are to protect our coasts? Is that to be our policy? In all seriousness I submit that if that is our policy the amounts we are voting in these days are altogether inadequate. I am not urging larger appropriations, but I do say that if we propose to depend upon our own unaided efforts to defend our coasts through military strength, then these sums are insignificant; they are wholly inadequate for such a purpose.

What other policy might we possibly adopt? We live alongside a very powerful neighbour, the United States. Are we to depend upon the United States for defence? I can understand that we may need to do so if trouble should break out between, we will say, the United States and Japan. There is quite a

possibility that if the United States were attacked Canada would be attacked also, and what is to be our position in such a contingency? Are we to be prepared to withstand such an attack alone, or shall we have to fall back upon the military strength of the United States?

Again, it may be said that we are members of the British Empire, and that we will have to depend upon the British navy. I am not sure whether under certain circumstances the British navy would be an asset or a liability, or whether the British navy could be counted upon to come to our assistance. And I have enough independence to say that if we are going to take that position I could almost join with those who say we ought to make our contribution to the British navy, a policy in which I do not believe as I hold to another policy altogether. I do admit, however, that those who definitely depend upon the British navy to protect us have a great deal to support them when they advocate that Canada ought to make her contribution to the British navy.

Let me point out that our connection with Great Britain might easily lead us into troubles that we as Canadians otherwise might escape. Great Britain has a far-flung empire; trouble might break out in India, in Hongkong, in the islands of the sea, in the nearer east, in Egypt or in any one of a hundred places where Great Britain has interests. Under those circumstances what is to be our attitude as a Canadian people? Are we prepared to do our share in the defence of the empire, and to come to its defence as we did in 1914? I think those are questions that ought to be pretty clearly stated. If Great Britain should be depending upon Canada coming to her defence again, as she did in 1914, and if this statement which I have read expresses the views of many Canadians, then it seems to me we might be letting Great Britain down pretty badly at a crucial time. If Canada is not in the future to send a single soldier to die on the battlefields of Europe, we should be prepared to make the statement honestly and openly to the public, and let the world and the British Empire know where we stand in that regard. But we have not done that. Are we then, in planning for national defence, taking these matters into consideration? If we take the stand that we will not come to the help of Great Britain if she becomes involved in some European or Asiatic turmoil, now is the time in all honesty, to say so, and if we say so we cannot expect help from Great Britain.

There is one other relationship that I think ought to be recognized. We are a member of the League of Nations. Does that mean anything to us?

Some hon. MEMBERS: No.

Mr. WOODSWORTH: Somebody suggests that it does not mean anything; I am not sure whether or not that is an official pronouncement. If it is, I think that official pronouncement ought to be given very wide publicity. The League of Nations means nothing to us; then, I ask, what is the alternative? The League of Nations, at least in ideal, has stood for a collective system of maintaining peace. I have never been enthusiastic over the League of Nations, because at first it was very largely a league of victors, and throughout to a large extent it has been a league of great powers. None of us was willing to grant the league any very great measure of power; too often we have asserted that we would maintain our own sovereignty no matter what happened to the league. Well, the league has done some good pieces of work, but the league has shown itself very weak indeed because the member nations would not give the league support, and to-day the League of Nations is very much discredited. But having said all that I come back to this point: what, then, is the alternative? If we are going to give up the idea of an ordered world, of peace and of agreements as a means of attaining peace; if we are to go back to the bad old way of fighting it out as individual nations, where will the world be within a very short time? If that takes place, war, and a much more serious war than the last, is inevitable, and that in the not distant future. It seems to me that if we were serious about the League of Nations we would spend a great deal more of our energies in trying to work out, through the league, some of these world policies which might bring us peace. Apparently we are not very active in that. And so we are in this House of Commons and in this country flopping backwards and forwards without any definite policy.

I venture to raise this question to-night in the hope that it might stimulate us to do some thinking. Are we prepared to defend ourselves by our own efforts against all comers? Secondly, are we going to ally ourselves with the United States? Thirdly, are we going to maintain our connection with Great Britain, and under what conditions? What obligations are involved in the maintenance of that connection? Then, fourth, are we to emphasize our membership in the League of Nations and either make that league something worth

while, or try to develop something which will be worth while to take the place of the league? Roughly, as I see the situation, these are the alternatives which lie before us at the present time.

Mr. SUTHERLAND: Which is your preference?

Mr. WOODSWORTH: It was not my purpose to-night to state which is my preference.

Mr. BOYES: Why mention allying with the United States?

Mr. WOODSWORTH: I am bringing forward certain definite alternatives which seem to me to be possibilities. If it is worth anything to the minister I will state my preference: I believe our hope lies in strengthening the league. That is where our hope lies—in strengthening the league or, if the present machinery of the league is inadequate, in substituting for it some machinery which will do the work better.

Mr. MACKENZIE (Vancouver): We cannot do that by ourselves.

Mr. SUTHERLAND: Would you be in favour of physical force to back up the league's decisions?

Mr. WOODSWORTH: I hope we will not go into details.

Some hon. MEMBERS: No, no.

Mr. WOODSWORTH: I would say this, that often one has to choose between two alternatives. If there were an alternative between spending $150,000 for cadets and $300,000 for cadets I would vote for the $150,000, not because I believe in cadets but because I believe it is the lesser of two evils. I can conceive that under certain circumstances some sort of world international police force might be better than our present rival standing armies. It is not that I want to depend upon force, used even by an international police force. The nearest to a practical proposition which has come to my attention is that we should have some sort of international air force, because, undoubtedly, aviation is the latest and perhaps the most efficient arm of our defence service. If, instead of each nation maintaining its own force, and all armed to the teeth, we had some sort of international air police service, we might be taking a very decided step in advance. But, personally, I confess that I have very little confidence in physical force as a means of settling disputes. Within the bounds of the nation we have set up courts and most of us obey fairly well the decisions of the judges in those courts. I think we will not be on a safe basis until we come to some such arrangement in our international affairs, set up our courts and all agree to abide loyally by their decisions. That would be civilization. I do not know whether we can attain that position at one jump, but in the meantime I believe in working as rapidly as possible in that direction.

I do not intend to detain the committee further, but I think I am justified in asking the minister to give to this committee some idea as to the underlying policies of our national defence. I think I have a right to ask that, and I hope we may have some statement from the minister.

Mr. SUTHERLAND: The hon. gentleman, as usual, and as in every speech I have heard him make in the house, has offered nothing of a constructive nature. In fact, I have never heard him satisfied with anything except the C.C.F., and that party is gradually drifting away,—part of it is thrown out and the other part leaving of its own accord. The hon. gentleman seems to think that we in Canada have been consistently building up more and more armed forces.

Mr. WOODSWORTH: No, I did not suggest that.

Mr. SUTHERLAND: Let me give him some figures. In the year 1930-31 the appropriation for the Department of National Defence was $24,214,795, whereas this year it is $13,737,000, or, to put it another way, in four years the appropriation has been reduced by more than $10,000,000. Let me give him another figure with regard to the per capita expenditures by various countries of the world for purposes of national defence. For the year 1932-33 the per capita expenditure of Canada was $1.35; New Zealand, $2; South Africa, $2.03; Germany, $2.46; Australia, $2.47; and the figures go up until we come to France with the largest per capita expenditure of $11.15.

Let us approach the subject from another angle, namely that of the percentage of the budget appropriation used for purposes of national defence. In Canada the figure is 3·9 per cent; Switzerland, 21·4 per cent; Japan, 34·1 per cent, and France 29·4 per cent. Surely with such figures as these it is most unreasonable and unjust for the hon. gentleman to say that we are building up in this country, for some purpose, a tremendous force.

Mr. WOODSWORTH: I said nothing of the kind, Mr. Chairman.

Mr. SUTHERLAND: The hon. member inferred it, from beginning to end.

Mr. WOODSWORTH: I "inferred" nothing of the kind.

Mr. SUTHERLAND: I repeat, the hon. member inferred it from beginning to end. If the hon. gentleman did not, his speech meant nothing. I suggest that the government should be commended for the stand it has taken in regard to national defence. Practically every nation in the world believes in defence. The great trouble which has occurred in the past and has come down through the centuries is that some strong and powerful nation has become so refined and over-civilized that it has refused to fight or to support itself and has deputized other people to do its work and fighting, with the result that some other stronger and more virile race has come in and conquered. There is a great tendency for civilization and the desire not to fight getting too far advanced in this country. I do not believe in a nation of nincompoops who will not stand up for themselves. It is only the lowest and most depraved sort of man who will not under certain circumstances defend himself. I believe the same holds true as regards a nation. Canada has to be prepared to defend herself to take her place in a manly and proper way in any world affair which may develop.

The hon. member may pick up any newspaper and read of difficulties throughout the world. We find in practically every paper we read that in Europe, in Asia and in South America there are very serious difficulties. What can we do but be prepared to defend ourselves if the necessity arises, or to take a proper part in the solution of any difficulties?

The hon. member spoke about the League of Nations. During the difficulties which occurred a year ago in Manchuria the great difficulty with the League of Nations was that it did not have a force. If the League of Nations is going to do anything and gain anything I think finally there has to be behind it some measure of force. Canada is a member of the League of Nations, and we must be prepared to carry our share of the load. At the present time we have not a force which is at all out of the way. Our permanent force consists of about 3,500 men, which acts as the nucleus, and then there is the non-permanent militia, a very highly trained and efficient force. It is able to deal with anything that may happen inside the country. Some unpleasantness might arise at any time in any part of the country, and it is the duty of the provinces to keep peace within their borders so that the people may pursue their ordinary vocations unmolested. The first duty of any nation is to maintain law and order, and we have not one man too many to support the provincial police and the Royal Canadian Mounted Police when called upon. We were called upon once this year. Fortunately we did not have to do anything in particular when we got there, but the small force that was sent did have a restraining influence. Such an incident might occur at any time, and if we did not have an efficient force sufficient in numbers to support the provincial authorities when called upon to help maintain the civil power, this government would not be doing its duty.

The permanent force also is prepared to train the non-permanent force, which, if the necessity should arise, could be expanded as it was in 1914. I hope just as strongly as does the hon. gentleman that there will never be any occasion to use the force, but if there is I want to see the Canadian militia, permanent and non-permanent, prepared to do its part.

Mr. WOODSWORTH: Then am I correct in inferring from the minister's reply that our army exists very largely to maintain order within the country and that no provision is being made to defend Canada against external enemies?

Mr. SUTHERLAND: One of the main duties of a government is to maintain order within its borders. At the present time, of course,, our permanent force is not large enough to go overseas; that is not its object, but nobody can foretell exactly what an army is going to be used for. The force is there to be used for some legitimate end should the occasion arise.

Miss MACPHAIL: I should like to ask the minister on what occasion was the permanent force called out during the last year?

Mr. SUTHERLAND: Stratford.

Miss MACPHAIL: Might I ask the minister if he thinks it was necessary to call out the permanent force to prevent girls from going on strike when they were being paid only three cents for plucking a chicken? Does he think it was necessary to call out the permanent force to prevent men from striking who were working in furniture factories at eight to ten cents an hour, and who went on strike to get something like a living wage?

Mr. SUTHERLAND: The hon. member is about as logical as she usually is. We were asked by the provincial government to turn out the force, and according to the law of the land it was our duty to do it in aid of the civil power.

Miss MACPHAIL: The minister has not answered my question. I asked if he thought it was necessary to turn out the force.

Mr. SUTHERLAND: Trouble might easily have occurred in Stratford, and I fully believe that the Royal Canadian Regiment exerted a restraining influence. Happily they did not have to be used.

Miss MACPHAIL: The strikers won, anyway.

Mr. KENNEDY (Winnipeg): I do not wish to unduly delay the minister's estimates, but I wish to make a few observations arising out of the speech of the hon. member for Winnipeg North Centre (Mr. Woodsworth) with respect to camps in which unemployed are used in preparing landing fields for aircraft. With the position taken by the hon. member that the feeding, housing, clothing and payment of these men at twenty cents a day is not a satisfactory solution of unemployment conditions I think no hon. member will take issue, and certainly I shall not, but I do wish to refer to the inference to be drawn from or pointed to by his objection that these camps are being operated under the Department of National Defence. From that the hon. member went into a discussion of war and expenditures of money on war; and he asked if these men were put into the camps under the department for the purpose of having them handy for use—

Mr. WOODSWORTH: I am sure the hon. gentleman does not wish to misinterpret my remarks. I said and implied nothing of the kind.

Mr. KENNEDY (Winnipeg): I accept the explanation of my hon. friend, but I did gather that he objected to these men being used for unemployment purposes under the Department of National Defence.

Mr. WOODSWORTH: I thought the camps ought to be under the Department of Labour.

Mr. KENNEDY (Winnipeg): I know that when these camps were first started it was stated, and published very widely, and the agitation gained considerable force in this country, that these men were in camps under the Department of National Defence and were being subjected to military discipline. I think my hon. friend made reference to that.

Mr. WOODSWORTH: I said nothing whatever to-night about military discipline.

Mr. KENNEDY (Winnipeg): Military supervision, perhaps my hon. friend said.

Mr. WOODSWORTH: Quite so.

Mr. KENNEDY (Winnipeg): My hon. friend draws pretty fine distinctions. What is the difference between military supervision and military direction?

Mr. WOODSWORTH: I am sure that the hon. gentleman as a former soldier knows that there is a vast difference between the two.

Mr. KENNEDY (Winnipeg): Well, we shall not go into that. So far as these camps being under the Department of National Defence is concerned, and being under military supervision or military direction or military control, there was much propaganda throughout this country to the effect that that was the condition. I took occasion to investigate the matter. I am sure that my hon. friend from Winnipeg North Centre had knowledge of that propaganda. I wonder whether he ever took the trouble to investigate how much military control or military supervision there was.

Mr. WOODSWORTH: I tried to.

Mr. KENNEDY (Winnipeg): And if my hon. friend found the facts to be as I learned them to be, would it not have been just as well, would it not have been fair since he raised the question, to state here to-night what were the facts he found as to these camps? It was commonly stated that these men first had to be attested; secondly, that they were under military direction or military control. It was further stated that it was done by the government, under the guise of giving unemployment relief, actually for the purpose of having at hand and readily available the young manhood of our country to meet any emergency that might arise. The facts are that these men were not attested. They were under no military discipline or control. There are always some facts that can be coloured and distorted to give an appearance of truth in propaganda. The papers that these men were required to sign, the form they filled out, was readily available. Thousands of men were being taken into these camps, and surely the first duty of any man in charge of a camp is to know who are the men in that camp. What are their names? Are they married or single? Whence do they come? All these details were taken, and that is all there was to that. There was no attestation.

As to being under military direction, it is true that the camps come under the Department of National Defence. But the men in charge of the camps were not men in uniform. There were no rifles, no bayonets, no machine guns—nothing of the sort. These camps are

similar to the ordinary lumber camps. They are comfortable and modern. Discipline is left to the men themselves and to their foremen, and that is the best kind of discipline you can get. The men are as free to leave as they are to enter. When a men receives word of placement in civil life he is provided with his return railway fare. If he be there a short time and desires to leave without having been placed in civil life, he is free to go. The food conditions, the clothing conditions and the shelter conditions are of the best. These men work for their food, shelter and clothing and in addition receive twenty cents per day and some other articles. I agree that these camps do not offer a satisfactory solution for unemployment, but I do not think there is anything sinister in the fact that they are being operated by the Department of National Defence. The question may be asked: Why by the Department of National Defence and not by the Department of Labour? It happens that the Department of National Defence is the only department which has in its employ engineers who are trained in construction work. These camps are carrying out important public undertakings in the construction of landing fields for aeroplanes and it was necessary that these fields should be prepared in a proper way under the direction of engineers. The engineers of the department could see that the work was properly carried out and an economy was effected in not having to hire other personnel.

From the reference made from time to time to things military, some hon. members would indicate that we should apologize for the estimates of the Department of National Defence. What is behind it all? Is there any reason why Canada should apologize for having a department of national defence? We are not a warlike people. I am one of the most peaceful of persons, but I cannot subscribe to the doctrine that we can ensure peace to the people of Canada by emulating the ostrich, burying our heads in the sand and crying "peace, peace," when there is no peace. I am glad that we have the League of Nations. I believe it has accomplished much more than it is generally given credit for. But back of the League of Nations is the idea that force may be necessary to enforce the treaties of that league. I was a little surprised that the hon. member for Winnipeg North Centre (Mr. Woodsworth) did not give a straight reply to the question asked by the Minister of National Defence (Mr. Sutherland). He was asked whether or not he was in favour of using force to back up the treaties of the League of Nations. I think we must face the question. We do not want force, but we are not living in "the best of all possible worlds." We have to take things as they are; we must be practical. What purpose is served in this house or in the country by assuming that the estimates of the Department of National Defence should be apologized for? I say to the hon. member for Winnipeg North Centre, to the hon. member for South-east Grey (Miss Macphail) and to all those who cry "peace, peace," when there is no peace: Remember that the history of our race and of every race is that prosperity is only for the free and that freedom is the heritage of those alone who have the courage to defend it.

I wish now to deal briefly with the purpose of the work being carried on in these camps and upon which these young men are being employed. They are preparing aircraft landing fields across Canada. Are these being prepared for purposes of war? No. They are being prepared preeminently for the purposes of peace and the expansion of trade and commerce. We all know what an extra day means commercially in a journey by sea; we all know what a few hours mean in mail transportation and in the delivery of commercial papers such as contracts and that sort of thing. The future of trade and commerce lies in the development of air transportation. The greatest air route in the world lies across Canada. This is envisaged to-day; it will become more obvious as years go by. The path of commerce in the air from Europe to North America and across the Pacific lies across Canada. This path is not south but north of the forty-ninth parallel of latitude. The most direct route westward from Europe to Asia is across Canada north of the St. Lawrence. This government is to be commended for the work which has been already done in laying a foundation for a trans-atlantic and trans-Canada route. Canada's future as one of the great trading nations of the world is bound up in aeronautics. The Americans have investigated this matter and have explored our north country. The recent northern flight of Colonel Lindbergh was not one of idle curiosity. I do not propose to go into that this evening but I should like to do so on some other occasion. Other nations have attempted to obtain vested rights to the air routes across Canada. My best information is that the work on these landing fields was started only after careful study and with the object of laying the foundation for a trans-Canada air service.

These young men who have been taken from the ranks of the unemployed are performing a real national service. In my opinion there has been no work undertaken in Canada in the last decade as important as this establishing of an air route across Canada. I would like to see those men paid more than twenty cents a day and I hope the government, taking note of the better times coming that we hear so much about and which I firmly believe are indeed here, will at the earliest possible moment, which cannot be too soon, on works such as these employ men at a normal wage, because to my mind they are contributing to an undertaking that is transcendentally important in the development of Canada. I think Canada should be able to afford to pay and should pay men employed on work of such national importance a reasonable living wage.

Mr. COWAN (Long Lake): Recently there has come to me from away out on the prairies, from a farming community far from any village or town or city, word that an active canvass is being carried on by people, whether they be C.C.F.'s, communists or socialists, I do not know, but they are all regarded as one and the same thing in that locality, to use the word "revolution" whenever possible in order that our people may become accustomed to the term. Imagine such a thing!

I judge from the speech of the hon. member for Winnipeg North Centre (Mr. Woodsworth) to-night and from the many speeches which he has delivered in the house, that he has evidently come to the conclusion that the proper way for him to bring about war is to talk war, war, war, trouble, trouble, international trouble and every other kind of trouble. There is not a single trouble known to the human race, internationally or in any other way, that the hon. gentleman has not brought up in review in the house in the last three or four years. He is a constant trouble hunter; in fact he is running a trouble factory, and if he wants trouble, he will get it. We in Canada are a peaceable people: we do not want war; we do everything we can to prevent war. If you go to the Chateau Laurier amongst the war veterans in session there, you will not find a single man among them who is not opposed to war, and we on this side are actively opposed to war, but if the hon. gentleman stirs up trouble and is hunting for it, he will get it and he will be very sorry for it.

The hon. member for Saskatoon (Mr. Macmillan) was talking about the camp in his constituency. I have only one objection to that camp. It is not in my constituency and it is taking hundreds of men from the city of Regina, so that to that extent they are being taken away from us. I would like the hon. member for Winnipeg North Centre to tell me this: If the young men are so dissatisfied; if the camp is so badly run, so abominable as he desires to make out, why is it that dozens of young men, sons of mothers and fathers living in towns and not eligible, are coming to me and asking me to get them into that camp? Does he think they want to get into a dungeon or into filth or into poverty? I do not think so. They want to get into that camp because they know they will be well taken care of and well fed. I have been in those camps and I know something about military life. I do not know whether my hon. friend ever was in military life or not, but I was, and from my observations of those camps they are the best run institutions that can be found anywhere. Certainly there is discipline, but it is in order that the men may be well fed and well looked after. Some of them, as a matter of fact, are too well fed because it is apt to make them think the state is going to continue to keep them when it is not. We are simply carrying them through this condition of depression. I would suggest to my hon. friend that he become a league of nations unto himself and give us some peace in this House of Commons.

Miss MACPHAIL: May I be permitted to answer the question asked by the last speaker? He asks why these young men would go into the camps, why they were coming to him wanting to get in. It is because they had not enough to eat if they did not go in and because it is too cold for them to wander around. I think that is quite a good answer.

I would like to ask the minister whether out of the five dollars a month or twenty cents a day that the men get, they have to provide their own clothes, or are their working clothes provided by the government?

Mr. SUTHERLAND: When they go into a camp, the understanding, indeed the fact is, that they are clothed, fed, sheltered, and given an allowance of twenty cents a day. That is in no way a salary, and it is not, as some hon. members have said to-night, with the idea of keeping them there. We do not want to make it a wage. This is not a permanent affair at all; it is merely a transition stage until those young men can get back to work.

Miss MACPHAIL: A few minutes ago the minister accused me of being illogical. I do not think he is illogical, but I think his government is, because if we have 19,000 men who are unemployed, who cannot get work and who are to be used by the government to do work, it is much more logical that this work should be done and the estimates should come up under the Department of Public Works or the Department of Labour or both and not under the Department of National Defence, even though the work that is to be done is in relation to aviation fields. Not that there is anything wrong with the Department of National Defence, but it is the worst, the most illogical place you could put 19,000 unemployed men. If we are going to have a permanent force, and it is permanent force we are voting under item No. 77 on page 25 of the estimates, let it be a permanent force. That is one thing. But camps for the unemployed who are supposed to be doing public work should come under Public Works or under Labour. An hon. member—I think it was the hon. member for North Renfrew (Mr. Cotnam)—said to-night that everything that could be needed or greatly desired in the camps was there. If that is true, how is it that this fall in several of the Toronto papers there have appeared signed letters from men in camps, asking people to send literature, old magazines and so forth, and that so many letters appeared and so great was the public interest that a branch of a department of the government of Ontario offered to gather and to transport radios, gramophones, magazines and so forth to those camps? Many hon. members must have read the letters as they appeared in the daily press, and they certainly would not leave the impression that facilities were provided for passing in any sort of profitable way the long winter evenings. I suggest to the minister that there must be something of truth in the letters or a branch of a department of the provincial government would not have taken on the job of meeting the wishes of the men as expressed in their letters.

Mr. McGIBBON: I am telling the hon. member that they were different camps, provincial camps.

Miss MACPHAIL: Possibly they were; at any rate they were run very much the same way—a great many men getting very small pay, five dollars a month or something like that. May I ask the minister how many men, soldiers and officers, come under this item?

Mr. SUTHERLAND: There are very few that are directing their whole work to it, though practically all our people here in Ottawa and in the various district headquarters are doing a great deal of work along that line—organization, purchasing, and the like. There are a few in some of the camps devoting their whole time to it. At the Nakina group headquarters there are 6; at Valcartier, 5; at Petawawa and Dundurn, 2; at Lac Seul, 12, and at Coulter's Siding, 4. About thirty, therefore, are devoting their whole time to it.

Miss MACPHAIL: The minister did not understand my question. I mean how many officers and men are covered by this vote? How many are there in the permanent force?

Mr. SUTHERLAND: There are 3,527.

Miss MACPHAIL: To me $4,910,000 seems a lot of money to support 3,527 men. I am interested now in knowing how the $4,910,000 is divided. Would the minister mind telling me the pay of a private in the permanent force?

Mr. SUTHERLAND: The pay of a private is $438 a year.

Miss MACPHAIL: And there are how many privates?

Mr. SUTHERLAND: There are 3,109 non-commissioned officers and men.

Miss MACPHAIL: What is done with the rest of the money? By far the larger part is still unaccounted for.

Mr. SUTHERLAND: There are a number of items:

Actual pay and allowances, $4,101,701.
Capitation allowances to clergymen, $7,000.
Civilian cooks at barracks and camps, $12,000.
Other civilian employees, $45,000.
Transport and travelling expenses, $48,750.
Stores, equipment and supplies (food), $132,000.
Forage, $45,000.
Fuel and gas, $160,000.
Printing and stationery, $43,000.
Light and power, $43,000.
Telephones, moving refuse, medical service, $46,000.
Courses of instruction in Canada and abroad for permanent force personnel, $74,000.

And a number of smaller items.

Miss MACPHAIL: I am not sure of my arithmetic, but if it is sound the 3,100 privates at $438 a year would get about $1,357,000. What is the total amount of money paid to the officers in the permanent force?

Mr. SUTHERLAND: $955,864.

Mr. HOWARD: In regard to the camp nearest the city of Sherbrooke, how many men are in the camp at Bishopton?

Mr. SUTHERLAND: At Megantic, 64 men; at Bishopton, 57 men.

Mr. HOWARD: Where are those men from?

Mr. SUTHERLAND: I could not tell exactly. I mentioned this afternoon that there might be some from Montreal, some from Sherbrooke, and some from other towns round about.

Mr. HOWARD: How do they happen to get into these camps?

Mr. SUTHERLAND: The qualification for a man to get into these camps is that he is single, homeless, unemployed and physically fit. Anyone in that category in the city of Sherbrooke would apply to an employment agency, either provincial, or dominion if there is one there; or to the mayor or the relief officer of the city. The district headquarters would be communicated with, and if there was a vacancy at the nearest camp he would be sent there. It is possible that the complement there might be filled, in which case he might be sent on to Valcartier or Petawawa.

Mr. HOWARD: Has the department any plan for some day taking these men out of the camps? How do they intend to rehabilitate them in the ordinary life of the country?

Mr. SUTHERLAND: We endeavour in every way possible to encourage the men to get back into civilian work, and with a good deal of success. From the camps in Ontario already 2,069 have left the camps and gone to assured positions. In Quebec 1,366 have gone back to work; in New Brunswick, 211; in Nova Scotia, 337; in Manitoba, 54; in Saskatchewan, 172; in Alberta, 48; and in British Columbia 1,123 have left camps to go to positions.

Mr. HOWARD: I will put the question this way: A lady came to me the other day and asked me if I could intercede to get a certain young man whom I know, of good character, a splendid fellow, into the position of chauffeur to a certain person in one of our cities. He was in a camp, and I asked her: How do you expect to get that young man out of the camp and into the position you mention, having regard to the condition he will be in? Who is going to provide shoes and clothes and shirts and collars and the rest of the things necessary to rehabilitate a man after say two years in one of those camps? What provision or arrangement is being made in that regard?

Mr. SUTHERLAND: The man would leave the camp with perfectly good clothes; if the man he was going to work for wanted to get him into a livery, he would have to buy it himself.

Mr. HOWARD: Are they in military clothing?

Mr. SUTHERLAND: No.

Mr. HOWARD: Can the minister say if any of the men in the camps at Bishopton or Megantic came from the city of Sherbrooke?

Mr. SUTHERLAND: I know there are some at one of these camps. The hon. gentleman spoke to me last session, I think, and I took up the matter; I know some of these men went to one or the other of the camps, but I do not know which one.

Mr. MULLINS: Well, Mr. Chairman, we are hearing the annual criticism from hon. gentlemen opposite with regard to the relief camps. In my constituency I have a camp composed of 1,200 men, and it is very hard to get them out of the camp; I do not know what we are going to do with them. They do not want to go back to farm life; they do not want to go back to work on the land. I have a resolution which was adopted by the United Farmers of Manitoba asking that these camps be abolished so that the farmers can get help. We need these men in the winter time, but they do not want to go back to the farms; they want to crowd back into the cities.

Last year the hon. member for Winnipeg North Centre (Mr. Woodsworth) criticized the camp in Riding Mountain park, but evidently he has found the truth in connection with that camp, because I did not hear any such criticism this year. Now, however, he is at it from a military standpoint. I am sorry the hon. gentleman is not in his seat, but I should be glad if these camps were under military rule. I lived in Winnipeg in 1919, and after my experience there I should be glad to know that such men were handy, because we needed them in 1919. I stood in front of the hotel in which I was living at the time and a certain element in our city paraded past and told me they were going to take over the hotel for their headquarters. I tell you I felt very unsafe in that city, so I think it might be well if these men were under military rule. I want to say, however, that there is no sign of militarism in any of these camps, particularly in the one located in Riding Mountain park. They have their boxing matches twice a week, their hockey matches and a vaudeville show, and they are

living very well. How are you going to get them back to work? As I have said, the farmers are prepared to pay these men more than they are receiving at present if they will take employment on the farms, but they will not do so. I want to see these men go where they belong, on the land, and not crowd into the cities. I do not want them led by agitators. There are agitators going up and down Marquette at the present time trying to lead the people into another political channel. We have ladies speaking in school houses and telling the men what a great mistake they have made in sending certain people to the House of Commons. Well, God forbid that I should sit in this seat one minute if I did not hope to be of service to the men on the land in western Canada, whom I certainly wish to help. I am not here to advocate a gospel in order to get in power. I sat here in 1925 and remember what went on then. I do not want to see a similar condition again. I want to see the present condition continue, with everyone on this side looking to the best interests of the country as a whole.

I have a few good Liberal friends; I am looking at one or two of them now, and I wonder why they do not speak up. They know the situation. I think one of them came back from Toronto once; he was a little scared and said, "Look out for Woodsworth." I am not afraid of Woodsworth or of any other man so long as I do my duty here in this house towards the men on the land, the struggling farmers. I want to see these camps abolished and these men back on the farms where they belong. That is the only solution, and I cannot agree to the waste of money in maintaining them that is going on at the present time.

Mr. MICHAUD: Before we disarm entirely I should like the minister to give me a little information with regard to the camps in New Brunswick. How many are there; when were they established; how many men are in each camp; what is the nature of the work being done and under whose management is each camp?

Mr. SUTHERLAND: There are four camps in New Brunswick. One is at Blissville. That is a landing field, and the camp has been closed for the winter. There is another landing field at Upper Brockway; there are only six people there at the present time. At the municipal airport at Saint John there are 147. There has been an airport at Saint John for several years, and aircraft have had difficulty in landing in certain winds, so advantage is being taken of this opportunity to improve the field. At Coulter's Siding, which is a forestry project and which will be used for a training area, there are 482 men. These four camps are under the control of the district officer commanding at Saint John.

Mr. RALSTON: I wonder if the minister could tell me just how much of this money is applicable to the relief camps?

Mr. SUTHERLAND: Not a cent.

Mr. RALSTON: But we have been talking about relief camps all evening.

Mr. SUTHERLAND: I explained that some of the officers paid under this vote were devoting their time to this work.

Mr. RALSTON: About how much of this amount would be devoted to that work, $3,000 or $5,000?

Mr. SUTHERLAND: There are about thirty people concerned, and they would receive a total of about $30 a day from the unemployment vote.

Mr. RALSTON: Then I take it that none of this money is to be used for that purpose?

Mr. SUTHERLAND: Some of the officers who are detailed for full time work at the camps are paid by the department.

Mr. RALSTON: Then perhaps $10,000 or $15,000 or $20,000 would be the contribution of the department?

Mr. SUTTHERLAND: Yes.

Mr. RALSTON: Would the minister tell me what has become of the item "manufacturing establishments" that we formerly had in this vote?

Mr. SUTHERLAND: That is now joined up with "general stores"; that was done last year.

Mr. RALSTON: And the item "transport and freight"?

Mr. SUTHERLAND: The deputy tells me that is now under "general stores". I do not remember that as a separate item since I have been in the department.

Mr. RALSTON: I mention this because the minister put on record some comparison of the figures for 1930-31 and the present figures. I have just made an analysis of those figures and I should like the committee to see what the analysis shows. I think the minister will agree with me that between 1931 and now there has been practically no reduction in this item.

Mr. SUTHERLAND: Quite so. In fact, the two items, namely permanent force and non-permanent force, are only very slightly affected.

Mr. RALSTON: The non-permanent is reduced substantially, but the permanent vote is not reduced. Further, I do not think the minister needs to apologize for not having reduced that vote. It seems to me necessary that the permanent force vote should be kept up to the present amount. This is the point at which it has stood since 1930, anyway, and I think before that.

The minister spoke about a difference of $9,000,000. May I say that the real difference between the vote in 1931 and the present vote is that $5,000,000 was voted in 1931 for civil air operations, whereas at the present time there is a vote of only $187,000. In the fiscal year 1930-31, $1,600,000 additional was voted for naval services. Then there is a difference of about $2,000,000 in other items, the chief of which were transport and freight, and manufacturing services, which accounted for nearly $1,000,000, and the votes for non-permanent militia services, cadet services and incidentals. So that the difference of $9,000,000 is made up of $5,000,000 in civil air operations, a vote which at the present time has been reduced to practically nothing. Then there was the extra vote of $1,600,000 for naval services, and $2,000,000 in connection with the non-permanent force particularly, and allied activities.

I shall have a word to say about aviation when the item proper is before the committee. I may add, however, that I am pleased indeed that the minister is undertaking the completion of these landing fields across Canada. I believe he will agree with me, however, when I say that his action is only the continuation of a policy which we have been endeavouring for a good many years to put into effect. It is providing the ground facilities for portions of the country which we could not cover before. As I understand it, these fields are being built, among other places, through Ontario and I presume, to the Manitoba boundary. That is a portion of the territory which before we were not able to cover on Canadian terrain with our aviation services. The service farther west was one which we had already completed and on which the air mail service was running. The lighting of landing fields had been carried out also.

I should like to add a word to what has been said by the hon. member for Vancouver Centre (Mr. Mackenzie) with which I think the minister thoroughly agrees, namely, that our endeavour should be as fast as possible to get the personnel which is now out through the country back into active service so far as civil aviation is concerned. I understand the minister states that there may be a difference between military and civil aviation services, but so far in Canada we have been going farther in connection with civil aviation than we have in connection with military service. We have the personnel and we have the facilities; it is simply a matter of having the money. I am pleased to support any activity which looks forward to an increase in aviation services, because I believe hon. members realize that on the whole, in her national development Canada has perhaps gone farther in aviation than any other country. It is a matter of pride to me that in past years we were able to vote something like $5,000,000 in connection with forestry patrol, geological surveys for mining work, fishery patrols and other services in order to develop our civil aviation. I believe the minister has that in mind, because I understand the other day he delivered an address in Toronto which showed he was familiar not only with the needs but with the possibilities of aviation in Canada.

Mr. HOWARD: How much work has been done at Bishopton and up to date how much money has been expended?

Mr. SUTHERLAND: I regret to say I have not before me that information, but I can get it for the hon. member.

Mr. HOWARD: May I put the question in this way: Is the work far enough advanced so that landing would be possible, or has only the preliminary work been done?

Mr. SUTHERLAND: I cannot give an accurate answer to that question. About two months ago I saw some pictures of the field, and at that time it certainly did not look as if it could be used.

Mr. MACKENZIE (Vancouver): In addition to the clearing of sites for airports, what other general work has been carried out by the camps? Is it the intention of the government to keep those camps open during the summer months?

Mr. SUTHERLAND: In addition to the airport work, the camps in British Columbia did a good deal of work on the roads. Then, there is the citadel in Quebec and also the one at Halifax which are badly in need of repairs. Those are two historic landmarks in Canada, in connection with which a good deal of work has been done. Then there is some

forestry work; for instance, the Lac Seul project is very largely one of forestry. The one we have in New Brunswick at Coulter's Siding is a forestry project, and finally will be used as a camp for that district.

Mr. MACKENZIE (Vancouver): In the summer months?

Mr. SUTHERLAND: In the summer months, if necessary, we will keep them open. Last year we found that a large number of men went away, particularly in western Canada, and worked in the harvest, or at one thing and another. They will be kept open, but we encourage the men to go out and get other work if they can.

Mr. POWER: What was the cost per day of feeding the men at different camps?

Mr. SUTHERLAND: The men are on regular army rations. It costs 29·2 cents per day.

Mr. POWER: That is the figure for the whole of Canada?

Mr. SUTHERLAND: Yes, that is the average.

Mr. POWER: Has the minister the figure for the province of Quebec, with particular reference to Valcartier or Quebec citadel, as compared with the costs in British Columbia?

Mr. SUTHERLAND: I have not that information before me, because my figures are the averages.

Mr. POWER: But the minister could furnish those figures?

Mr. SUTHERLAND: Yes.

Mr. POWER: Has the minister any idea of how much it costs to clothe a man in the winter season?

Mr. SUTHERLAND: It costs for clothing 18·7 cents per day.

Mr. POWER: That figure does not give much information. What does it cost to clothe a man in a winter outfit when he goes in at this season of the year, or some time in December? Would it cost approximately $25 or $30?

Mr. SUTHERLAND: It would be difficult for me to answer that question, because I have not the figures in front of me.

Mr. POWER: I imagine there must be a schedule showing the clothing issued to the men.

Mr. SUTHERLAND: Yes.

[Mr. Sutherland.]

Mr. POWER: Does it include underwear and that sort of thing?

Mr. SUTHERLAND: Yes; they are very well provided with clothing, such as warm mackinaws, underwear, socks and rubber boots. At the present time lumbermen's boots are used.

Mr. STEWART (Edmonton): I have listened with a good deal of interest to the discussion which has taken place to-night, and being of a curious turn of mind I cannot help remembering 1930. It is most interesting to see the way in which hon. members opposite come to the rescue of the government in carrying out the policy which they promised in 1930 to put into effect if they were returned to power. I for one am greatly interested in seeing the development of that policy and the defence of it that hon. gentlemen opposite attempt to make. I am sorry the hon. member for North Renfrew (Mr. Cotnam) found it convenient to leave, also the hon. member for Marquette (Mr. Mullins), and the hon. member for Saskatoon (Mr. MacMillan) as well as other hon. gentlemen opposite who rushed to the defence of this policy of the government to cure unemployment. How comforting it must be to the people of Canada to realize that now we have the real policy of the Conservative party on unemployment expounded to us by these gentlemen to-night, together with the statement by the minister who is administering the relief camps for the single, homeless unemployed men! How comforting it must be to the electors who voted for these gentlemen! I look at the promises that were made by the leader of the government (Mr. Bennett) and by his followers in all parts of Canada not only to cure unemployment but to end it, and yet nineteen thousand young unmarried men are being taken care of by the government of Canada in the various camps to which reference has been made. I have no fault to find with the administration of these camps by the Department of National Defence or with the treatment of the men, but what must the men themselves think? A fair percentage of them voted to put this government in office to end unemployment, and what must they think when they find themselves employed in this manner? Surely the Conservative party ought to be proud of its record. And remember that in every town and village of any size in Canada married men are on direct relief, thirty per cent of which is contributed by this government. And yet hon. gentlemen opposite fly to the rescue of the minister because some criticism is offered by

the hon. member for Winnipeg North Centre (Mr. Woodsworth) and by the lady member of this house (Miss Macphail) over this state of affairs. It is not good enough to say that these conditions are common to every country, because hon. gentlemen opposite said that if they were put into office they would cure unemployment and find work for all. But they did not say it would be at twenty cents a day. They never mentioned twenty cents a day, nor did they say they were going to put the single unemployed men into relief camps and give the dole to those who were married. The hon. member for Long Lake, for instance, tries to ridicule the hon. member for Winnipeg North Centre for his attitude. It is a sorry spectacle to see hon. gentlemen opposite have to admit after four years of office that this is the best they can do for the unemployed in Canada. What a spectacle!

Mr. McINTOSH: Deplorable!

Mr. GOTT: Let us be serious for a moment.

Mr. STEWART (Edmonton): I am quite serious, just as serious as the hon. gentleman's leader was when he was making those promises to the electors in 1930.

Mr. GOTT: My hon. friend is not serious or he would not have said that the hon. member for Saskatoon ridiculed the hon. member for Winnipeg North Centre when actually he paid him a compliment by addressing him as the right hon. gentleman.

Mr. STEWART (Edmonton): I never said anything of the kind, and if my hon. friend would only sit and listen he would know what I am saying.

Mr. GOTT: You deliberately said that he ridiculed the hon. member for Winnipeg.

Mr. STEWART (Edmonton): Will the hon. gentleman kindly speak when he gets the opportunity? I do not wish to put on record again, as I had intended to do, the promises made by this government, not only by its leader but by his followers, to cure unemployment in this country. Had they said then that their method of curing it was to be the method that they are defending to-night, they would not be sitting where they are now, in the seats of the mighty.

Mr. BENNETT: What would have happened the country then?

Mr. LAPOINTE: No titles.

Mr. STEWART (Edmonton): What would have happened? If my right hon. friend can suggest anything worse than the present condition I should like to know it. If the right hon. gentleman is proud of the record of his government he is welcome to it.

Mr. BENNETT: Well, he certainly is.

Mr. STEWART (Edmonton): Then I say to him that I am very glad he makes that statement because the people of Canada are anything but proud of him.

Mr. BENNETT: I would compare popular approval with the approval of the hon. gentleman.

Mr. STEWART (Edmonton): No doubt you will have to give us the opportunity and we will let the public decide. When we have to take our medicine we take it, and you will take yours on the next occasion.

Mr. GOTT: That is your supposition.

Mr. STEWART (Edmonton): Is it? All right. I say again, Mr. Chairman, that I did not rise to criticize the administration of the relief camps.

Some hon. MEMBERS: Oh, oh.

Mr. STEWART (Edmonton): He laughs best who laughs last. I did not rise to criticize the administration of the relief camps. I believe they are well administered, but I do say that it is a sorry spectacle for the government of Canada that the relief camps should have to be established at all, and it is not an answer to say, as has been said on former occasions, that it is the result of world conditions, because hon. gentlemen sitting opposite over there are the ones who promised the electors of Canada that if they were put into office they would cure unemployment—and this is the way you have cured it. Are you proud of it?

Mr. BENNETT: Certainly.

Mr. STEWART (Edmonton): Proud of the situation that exists to-day? Proud of the number of unemployed? Proud of the steps you have taken to deal inadequately with the situation? Then if you are, you are much more case hardened than I thought you were.

Mr. MACKENZIE (Vancouver): Give us the promises that were made.

Mr. STEWART (Edmonton): In Halifax, the right hon. gentleman who now leads this government made a speech on July 4, 1930, in which he said:

> If the Conservative party comes into power on July 28th I propose at the earliest moment to call parliament together so that we may find speedy remedy for this situation and decide on means to provide work for Canadians. Work I said, not doles.

That is plain enough, isn't it? And yet we have in the neighbourhood of one million people—or that was the number—a very large proportion of whom are on doles and nothing else. And this government is not doing what it promised to do, to take care of the situation as a great national emergency, because it is paying only thirty per cent of the dole.

Then at Moncton the leader of the Conservative party said:

> The Conservative party is going to find work for all who are willing to work, or perish in the attempt. It is going to call parliament at the earliest possible date after July 28, and take such steps as will end this tragic condition of unemployment and bring prosperity to the country as a whole. . . . Mr. King promises consideration of the problems of unemployment. I promise to end unemployment. Which plan do you like best?

I have not heard anyone from Moncton or thereabouts get up to-night and speak of the wonderful way in which that promise has been carried out.

Again, speaking at Ottawa, the right hon. gentleman said:

> Mr. King promises you conferences; I promise action.

Is there any government that has outdone this government in calling conferences during the past three years? And what have been the results of them all?

Mr. MANION: Your leader has been complaining that we did not call enough conferences.

Mr. STEWART (Edmonton): What has been the result of it all? Absolutely nothing. We have a wheat agreement by which we reduce our production by over one million bushels. That is the result of one of the conferences.

Then, speaking at Renfrew, the right hon. gentleman said—and I am sorry that the hon. member for Renfrew is not now in his seat, because he must have been present at this meeting, otherwise it could not have taken place:

> I will enact such tariff measures to give Canadians an even chance, or perish in the attempt.

This was a real perishing government before they got into office. He went on:

> At the same time we will protect labour as well as consumers. There will be no exploitation.

We now have the Stevens committee sitting day after day and discovering how labour has been exploited under the very nose of this government.

[Mr. C. A. Stewart.]

Mr. CASGRAIN: The higher the tariff, the lower the wage.

Mr. STEWART (Edmonton): I do not know what steps may be taken to prevent labour from being exploited, but that is what is being found out in another room in this building. Such a thing should make every Canadian blush with shame, but all this was going to be prevented by this government. These are the promises by virtue of which hon. members opposite sit in the seats of the mighty.

An hon. MEMBER: Give us some more of them.

Mr. STEWART (Edmonton): There are too many, and I do not want to clutter up Hansard. Then they wonder why criticism is offered when we have before us estimates to provide relief camps. I marvel at the nerve of the government, and I wonder how they are able to face the people after making such spacious promises. I repeat that it is no use saying to hon. members on this side and to the public generally that it was world conditions that brought all this about. They knew about world conditions in 1930, but they stated that it was the fault of the government of that day that there were 117,000 unemployed in Canada.

Mr. GEARY: Mr. Chairman, what is the number of this vote? I have lost my place.

Mr. STEWART (Edmonton): Perhaps the hon. member will find his place some day. I do not wonder he has lost it, and I am afraid he will lose it a good many times if he attempts to follow the intricacies of this government. We are discussing unemployment and relief camps. Does my hon. friend realize that we are talking about relief and the cure of unemployment?

Mr. CASGRAIN: Twenty cents a day.

Mr. GEARY: I was just wondering.

Mr. STEWART (Edmonton): I have no particular fault to find with the twenty cents a day, but I say without fear of contradiction that these conditions have been brought about by the policies of this government. If this government said in 1930 that world conditions had nothing to do with the situation then existing, how can they argue to-day that world conditions are causing the unpleasant situation we have in this country? They cannot swallow themselves; that is impossible, although they will try to do it.

Mr. LAPOINTE: They blow and swallow at the same time.

Mr. STEWART (Edmonton): They do not like this sort of thing. I know it does not go down with them. The hon. member for Winnipeg South Centre (Mr. Kennedy) was very laudatory in his statement about these camps. He told us how splendidly they were being conducted. With all of that we agree, as we know that anything undertaken by the Department of National Defence will be well done. But I say again, is it not a sorry spectacle that Canada, having such great undeveloped natural resources, should have to operate unemployment camps in order that men may obtain sustenance and a reasonable amount of clothing? Is it not a sorry spectacle that this is what has to be done under the policies of hon. gentlemen opposite?

Mr. ROBINSON: What will happen under the policies of the Liberal government?

Mr. STEWART (Edmonton): When the Liberal government come into office their policies will be enunciated. May I say to my hon. friend that he was in a very happy and comfortable position under Liberal policies. We did not have any relief camps and we had mighty little unemployment.

Mr. GOTT: You would not have given a nickel if you had.

Mr. STEWART (Edmonton): We did not need to give nickels; the government provided employment for all. Even the tobacco growers down in Essex were able to get along without relief, the same men for whom the hon. member is pleading so hard to-day. This government was going to blast its way into the markets of the world, but my hon. friend is to-day asking for relief for those very men who were to benefit from the policies of the government. Are you proud and pleased with your record? Hon. gentlemen on the back benches opposite will rush to the defence of the government. They are ready to advocate relief camps and other forms of unemployment relief, notwithstanding the fact that they declared solemnly to the electors that they would not inaugurate such things. They are welcome to all the comfort they can get. That is all I have to say in connection with this matter.

Mr. PRICE: Would the hon. member kindly tell the committee just what he would do? Has he any constructive suggestion to offer?

Mr. CASGRAIN: Change the government.

Mr. PRICE: Tell the committee so the public will know just how you would deal with unemployment.

Mr. STEWART (Edmonton): I would deal with it in exactly the same way as the Liberal government dealt with it in 1922. I would bring about the same era of prosperity which was brought about in 1922 by the application of Liberal policies. That is the way I would deal with it, not by trying to blast my way into the markets of the world and shutting the gates to all who wanted to get into Canada. The government's policies have been on trial for four years and each year the conditions have become worse than they were in the previous year. The one man of those who occupy the front benches opposite for whom I am sorry is the Minister of Finance (Mr. Rhodes). He has to try to raise revenues while the policies inaugurated by the present government are being carried out. He has made a dismal failure of it and is bound to make a dismal failure so long as these policies are followed.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, March 16, 1934

The house met at three o'clock.

REPORTS OF COMMITTEES

Mr. Hanson (York-Sunbury) presented the third report of select standing committee on banking and commerce and moved that the report be concurred in.

Motion agreed to.

First report of special committee to inquire into operations of radio commission under the Canadian Radio Broadcasting Act, 1932. —Mr. Morand.

PRIVATE BILLS

FIRST READING

Bill No. 36, respecting British Columbia Telephone Company.—Mr. Fraser (Cariboo).

BUSINESS OF THE HOUSE

GOVERNMENT ORDERS TO HAVE PRECEDENCE ON AND AFTER WEDNESDAY, MARCH 21

Right Hon. R. B. BENNETT (Prime Minister) moved:

That on Wednesday, the 21st of March, 1934, and every Wednesday thereafter, until

the end of the session, government notices of motions and government orders shall have precedence over all other matters except questions by members, introduction of bills, and notices of motions for the production of papers.

Motion agreed to.

TARIFF BOARD JURISDICTION

REFERENCE TO SUPREME COURT OF RIGHT TO MAKE RULINGS ON POINTS OF LAW AND FIXING OF VALUES

On the orders of the day:

Hon. J. L. RALSTON (Shelburne-Yarmouth): I wish to ask the Prime Minister whether, in connection with the reference which I understand is being made to the Supreme Court of Canada regarding the jurisdiction of the tariff board, the government will consider referring the question as to the validity of orders fixing values for duty purposes of commodities covered by the British preference since the statute of 1932 was passed?

Right Hon. R. B. BENNETT (Prime Minister): As far as I know that question has not been raised. The questions raised were: First, has the board any jurisdiction to settle or determine questions of law; second, was the judgment of the board in connection with the matter of the refund of duty in connection with twine under a valuation fixed by the minister under the authority of an order in council passed prior to the enactment of the statute providing that section 43 did not apply to British Empire countries valid or invalid? The third question, which has just been mentioned by the hon. gentleman, has not arisen so far as I know. It has not been determined that the matter should be referred to the Supreme Court of Canada; the law officers are endeavouring to ascertain just what would be the appropriate method, apart altogether from resorting to the rather cumbersome proceeding provided by the Customs Act, to have the matter speedily disposed of. That matter will be settled by to-morrow.

Mr. RALSTON: In that connection might I just remind the Prime Minister that there would seem to be two more questions. One is allied to the second question he mentioned; that is, whether or not orders made by the minister after the passing of the statute of 1932 are valid. The second question is as to whether the privy council have any power to entertain an appeal under section 54 in respect of questions such as were raised in the twine case. I just wanted to ask if the government will consider putting those questions in the reference, if such a reference is proposed.

[Mr. Bennett.]

Mr. BENNETT: With your consent, Mr. Speaker, I desire to say that the government is not in a position to make a reference other than with respect to the matters that were raised on the appeal, and when the appeal was presented it was admitted that, for the purpose of discussion, there was an appeal under the section to which reference has been made.

Mr. RALSTON: The governor in council has power to make a reference of any question.

Mr. BENNETT: With respect to a statute.

Mr. RALSTON: This is a statute; it is as to the effect of the 1932 statute.

INQUIRY FOR RETURN

On the orders of the day:

Mr. MAXIME RAYMOND (Beauharnois): I should like to remind the Prime Minister that yesterday I was given to understand that some papers would be laid on the table to-day.

Right Hon. R. B. BENNETT (Prime Minister): I was going to ask the hon. gentleman if he would be good enough to wait another day. The letter to which I referred is not on file; this subject matter was dealt with in a verbal statement, and I have asked that a letter be sent to show that the moneys received have been used for the purpose of liquidating the obligations mentioned in the order in council. That letter has not arrived as yet, but if the hon. gentleman will accept my word for it I shall be glad to hand the papers to him in the meantime; otherwise they will be filed in the house on Monday. I have telephoned again to have the letter sent. There are no communications between the railway company and the government.

SALE OF FISH IN QUEBEC

On the orders of the day:

Mr. C. G. POWER (Quebec South): I should like to direct a question to the acting Minister of Fisheries (Mr. Duranleau) and also to the Minister of Pensions and National Health (Mr. MacLaren), because both departments are involved. My question is in connection with an article which appeared in L'Action Catholique, of Quebec, on Tuesday, March 6, 1934, as follows:

(Translation)

Inedible fish. We have been informed that, recently, fish practically rotten has been sold in Quebec. Is it necessary to condemn such a practice? We trust that the authorities will take the matter up with the owners of cold storage warehouses as soon as they learn the facts.

Then an advertisement:

Eels for sale at the cold storage warehouse of the Quebec commission.

I am informed that the fish referred to are a consignment of eels which are being sold for 3 cents a pound either by or from the Quebec cold storage warehouse. The question I should like to ask the acting Minister of Fisheries is whether he will inquire as to whether or not these inedible fish are being sold from this warehouse, and the question I should like to ask the Minister of Pensions and National Health is whether he will take steps to see that fish unfit for food are not sold in Quebec.

Mr. BENNETT: Eels are a great delicacy in Holland.

Mr. POWER: That may be so; I did not want to detain the house at any length, but the house will remember what was contained in the advertisement.

Eels, not graded, at $3 per hundredweight, with a reduction of 10 per cent in quantities of five boxes or more. A box contains from 100 to 150 pounds.

The article I read is to the effect that fish unfit for human consumption are being sold in the city of Quebec. I do not place eels in the category of unfit food, but bad eels or, as it is expressed here, rotten eels certainly are not in the category of food fit for consumption, even in the city of Quebec.

Hon. ALFRED DURANLEAU (Acting Minister of Fisheries): This is the first time I have heard of these facts. I shall be pleased to inquire into the matter as far as it comes under the jurisdiction of my department, but I think these questions should be addressed to the provincial and municipal authorities.

Mr. POWER: In all probability they should be, but we will start here.

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): I should be glad if my hon. friend would hand me the statements to which he has referred, and I shall have inquiries made at once in reference thereto.

SEED ACT AMENDMENT

On the orders of the day:

Mr. W. G. WEIR (Macdonald): I should like to ask the Minister of Agriculture (Mr. Weir) if it is intended to bring in any amendments to the Seed Act this session.

Hon. ROBERT WEIR (Minister of Agriculture): Not in connection with the administration of the Seed Act, so far as I am aware.

SUPPLY

DEPARTMENT OF NATIONAL DEFENCE

The house in committee of supply, Mr. Gagnon in the chair.

Militia services: permanent force, $4,910,034.

Mr. MACKENZIE (Vancouver): I should like to ask the minister a question, though I am not sure whether or not this is the proper item. It is in connection with the sale of the rifle range on Lulu island in British Columbia. Has the range been sold and, if so, was it sold by tender?

Hon. DONALD M. SUTHERLAND (Minister of National Defence): No, it has not been sold.

Mr. MACKENZIE (Vancouver): Have tenders been called for the sale of the range?

Mr. SUTHERLAND: No.

Item agreed to.

Naval services—to provide for the maintenance of the ships and establishments of the naval service, including the Royal Canadian Navy, the Royal Canadian Naval Reserve and the Royal Canadian Naval Volunteer Reserve, $2,222,000.

Mr. MACKENZIE (Vancouver): May I ask where the saving of $200,000 has been effected under this item?

Mr. SUTHERLAND: The savings have been effected entirely with regard to supplies. We will not buy as many supplies as heretofore.

Mr. RALSTON: On this item I should like to join with the remarks of the minister last night concerning Commodore Hose. In view of the long connection of that officer with the naval service I believe it is fitting that those of us who knew something about his good qualities should record our appreciation of the service he rendered to this country. I must say that during my term in office I found him to be a most efficient, loyal and capable officer, and one whose services bore out in an extremely fine manner the best traditions of the British naval service.

Would the minister tell me the names of the members of the defence council?

Mr. SUTHERLAND: The minister, of course, is president, and the deputy minister vice-president. Then there is General McNaughton chief of general staff; Brigadier Constantine, adjutant general, and Brigadier Caldwell, quartermaster general. In the meantime the associate members are the acting chief of the naval service, Captain Nelles, and Group Captain Croil of the air force.

Mr. RALSTON: Could the minister give me the salaries and allowances of these members of the defence council?

Mr. SUTHERLAND: I presume you want to know my salary?

Mr. RALSTON: No, we do not want that.

Mr. SUTHERLAND: The chief of general staff receives $10,000; Brigadier Constantine, $7,500; Brigadier Caldwell, $7,500; Captain Nelles, $7,250 and Group Captain Croil, $5,800.

Mr. RALSTON: Do any of these officers get any other allowances from the public service, in addition to these amounts?

Mr. SUTHERLAND: No; allowances are included in every case.

Mr. RALSTON: Following the question asked by the hon. member for Vancouver Centre, may I ask as to whether or not the chief of general staff has any jurisdiction over the acting chief of the naval staff?

Mr. SUTHERLAND: None whatever. Of course I have to amplify that statement a little bit. As the hon. gentleman did, we are endeavouring to correlate activities and to have all people working together. The situation as regards the naval service is exactly the same in every particular as it was when the hon. member was in office.

Mr. RALSTON: While we are on this subject would the minister permit me to ask if his statement holds true with respect to the air force, also?

Mr. SUTHERLAND: No, it is not exactly the same as obtains in the air force. When the hon. gentleman was in office the civil government air operations reported through the deputy minister. At the present time they report through the general staff. The chief of civil aviation, Mr. Wilson, reports through the deputy minister.

Mr. RALSTON: Does the chief of the Royal Canadian Air Force report direct to the deputy minister?

Mr. SUTHERLAND: No, he reports through the chief of the general staff.

Mr. RALSTON: How long has the system mentioned by the minister been in operation, first as to the chief of the civil aviation branch reporting to the chief of general staff and secondly the chief of the Royal Canadian Air Force reporting to the chief of general staff?

Mr. SUTHERLAND: Formerly there were, more or less, two departments, namely the Royal Canadian Air Force and civil government operations. For some time past they have been run as one. In other times the air force reported through the chief of general staff.

Mr. RALSTON: If the minister carries out what I hope he proposes to do, and what I believe he proposes to do, namely, to increase activities of civil government operations, does he not think it would be better to have civil government operations reporting directly to the deputy minister?

Mr. SUTHERLAND: That will have to be considered. I would not be in a position, really, to answer that question.

Mr. RALSTON: When was the change made?

Mr. SUTHERLAND: I think the change was made in the estimates two years ago. At that time both operations were in one estimate.

Mr. RALSTON: No, they are still under separate votes.

Mr. SUTHERLAND: They are at this time; they were brought in in that way for purposes of clarification. But last year and the year before I think the hon. member will find that they appeared as one vote.

Mr. RALSTON: I would hope that the line of communication and the chain of responsibility would follow the votes as indicated in numbers 82 and 83 of the estimates we are now discussing, and that at least civil aviation should report directly to the deputy minister. It seems to me it is a distinct branch.

Mr. SUTHERLAND: Civil aviation does that.

Mr. RALSTON: I must have misunderstood the minister. I understood him to say that they reported to the chief of general staff.

Mr. SUTHERLAND: No; Mr. Wilson reports directly to the deputy minister.

Mr. RALSTON: I misunderstood the minister. The position is that the chief of the Royal Canadian Air Force reports to the chief of the general staff but the head of the civil aviation branch, Mr. Wilson, reports to the deputy minister?

Mr. SUTHERLAND: Yes.

Mr. SANDERSON: I should like to have some information in regard to item 79, naval services. This vote is "to provide for the maintenance of the ships and establishments of the naval service, including the Royal Canadian Navy, the Royal Canadian Naval Reserve and the Royal Canadian Naval

Volunteer Reserve." I wonder if the minister would be good enough to tell the committee how many ships there are, and something about them. This is a large vote of over $2,000,000.

Mr. SUTHERLAND: We have the Saguenay, which is a destroyer on the eastern coast, and the Skeena, another destroyer on the western coast. These two boats are new, and were bought only recently.

Mr. SANDERSON: At what cost?

Mr. SUTHERLAND: About $3,000,000 for the two of them.

Mr. SANDERSON: From whom were they purchased?

Mr. SUTHERLAND: They were purchased in England, from Thornycroft's. Then, we have the Champlain and the Vancouver, which although older destroyers are in very good condition. Then there are two mine layers, the Festubert and the Armentieres. The first is at Halifax and the second at Esquimalt.

Mr. GIROUARD: What is the tonnage of those destroyers and their operation costs per day?

Mr. SUTHERLAND: The expenses for the year are: Saguenay, $256,000, Champlain, $190,000, Festubert, $41,000, Skeena, $252,000, Vancouver, $183,000, Armentieres, $41,000.

Mr. MACKENZIE (Vancouver): What is the total personnel of the naval forces?

Mr. SUTHERLAND: The total is 864.

Mr. GIROUARD: The figures the minister has just given as the expenses in connection with the boats represent the cost for the year?

Mr. SUTHERLAND: Yes.

Mr. GIROUARD: The minister was kind enough to inform me last year that the expenses per day for the Saguenay were $645, and that the Saguenay is in operation all the year around; and that the maintenance and service of the Champlain cost per day $485. I understand that the cost would be approximately the same for the Vancouver and the Skeena. Would the minister state if the amounts I have just mentioned are correct?

Mr. SUTHERLAND: If they were the amounts I gave the hon. gentleman last year I have no doubt at all that they are correct.

Mr. POULIOT: Would the minister be kind enough to inform the committee how many Canadians have attended the lectures at the Empire State college in England?

Mr. SUTHERLAND: As the hon. gentleman knows, by agreement we send officers every year to take advanced training courses in naval matters in England. During the present year there will be one officer taking the staff course at Greenwich, two officers taking the technical course on naval matters, and two officers taking another course on technical matters. In addition the young cadets who enter the navy get their training in England. There will be six cadets going over.

Mr. POULIOT: But I am asking how many Canadians have attended the lectures at that college.

Mr. SUTHERLAND: Ever since the institution of our navy, following the war.

Mr. POULIOT: Ever since the war.

Mr. SUTHERLAND: Oh, yes.

Mr. POULIOT: Does Canada pay their expenses over there?

Mr. SUTHERLAND: Yes.

Mr. POULIOT: Is the Empire State college a kind of English West Point? Is it England's equivalent to West Point in the United States?

Mr. SUTHERLAND: No. West Point, of course, is for the military service only and corresponds more to our Royal Military college. The institution in England to which the hon. gentleman refers, and to which we send cadets, is the training ship Frobisher. That is where our midshipmen go.

Mr. POULIOT: If I understand the minister correctly, it is a naval school.

Mr. SUTHERLAND: Yes.

Mr. POULIOT: Besides that are there lectures given on air force matters and airways?

Mr. SUTHERLAND: Not at that particular school. But there is in the old country what is called the Imperial Defence college to which officers from all over the empire go to discuss and be instructed in the higher elements of military, naval and aerial affairs. The senior officers in Great Britain from all the great services come and address and instruct and give lectures to those who are attending those courses.

Mr. POULIOT: Would the minister be kind enough to tell the committee the name of that school or college and where it is located?

Mr. SUTHERLAND: It is called the Imperial Defence college and is located in London.

Mr. POULIOT: How long has it been in existence?

Mr. SUTHERLAND: It is an old-established institution, not a recent thing at all. I am not aware of the exact year in which it was established.

Mr. POULIOT: Would the minister be kind enough to tell the house for how long Canadians have been attending that school?

Mr. SUTHERLAND: I am not in a position to say just how long, but I believe they have been attending it for a great many years.

Mr. POULIOT: More than three or four years?

Mr. SUTHERLAND: Oh, yes, more than that.

Mr. POULIOT: How old are the boys or the men who attend that college?

Mr. SUTHERLAND: Of course, the ones who go from Canada are senior officers who have gone as far as they could in this country. There are no boys or junior officers attending that school.

Mr. POULIOT: I thank the minister for his very valuable information. My own idea is that when a man is a pupil after twenty-five years of age he will remain in infancy all his life. Of course, a man must study all his life, but there is a great difference between a pupil and a man who studies. I do not see why Canadians should go to that pompously named institution in London in order to be taught imperialism. I believe in Canadianism. We have strong ties with the British Empire but we have no lessons to receive in love of our country. All Canadians love their country and they must love it before any other. I admit that our ties with Great Britain are strong and that our king is the king of Great Britain, but on the other hand Canadians should be taught first to be good, real Canadians, and Canadians before anything else. I protest strongly against sending Canadians to be taught imperialism in London or anywhere else. I regret that these peregrinations take place, and I hope that the minister will see to it that if these men go there in order to receive technical training they will be taught nothing else but technical matters about the naval service, the air service and so on. They should not be taught that they must love England before Canada.

Mr. SANDERSON: A few moments ago the minister, replying to a question of the hon. member for Vancouver Centre, gave the total personnel of the naval forces as 800 odd. Does that include the personnel of the naval reserve and of the naval volunteer reserve?

[Mr. Sutherland.]

Mr. SUTHERLAND: I may have inadvertently misled the committee. That was the number of the permanent force, men on the strength all the time.

Mr. SANDERSON: What is the strength of the naval reserve and of the naval volunteer reserve?

Mr. SUTHERLAND: The personnel of the Royal Canadian Naval Volunteer Reserve is 1,028. That corresponds in the naval service with our non-permanent militia coming under the militia vote. Then we have 200 in the Royal Canadian Naval Reserve.

Mr. SANDERSON: Could the minister give me the strength of the naval volunteer reserve and where they are trained?

Mr. SUTHERLAND: As I indicated before, this body corresponds to the non-permanent militia. They are situated at Calgary, Charlottetown, Edmonton, Halifax, Montreal, Ottawa, Prince Rupert, Quebec, Regina, Saint John, Saskatoon, Toronto, Vancouver and Winnipeg.

Mr. SANDERSON: Do they draw pay and allowances?

Mr. SUTHERLAND: They draw pay and allowances. From time to time certain complements go to the coast for actual training on board one of the destroyers.

Mr. MacNICOL: Has the efficiency of the service been affected by the reduction of $200,000 in the vote?

Mr. SUTHERLAND: There has been no reduction in personnel.

Mr. MacNICOL: Any reduction in the service?

Mr. SUTHERLAND: No reduction in the service.

Mr. GIROUARD: I wonder if the minister read the dispatch which appeared in the Citizen of Monday. This reads:

> Port of Spain, Trinidad, March 11.—Canada's naval squadron has gained another victory.
>
> In the famous Chaguaramus bay where fleeing Spaniards fired their fleet and sank their treasure cargoes in 60 fathoms of water to save them from their British pursuers, the four Canadian destroyers put to rout the British cruiser H.M.S. Dragon in mimic warfare.
>
> The Dragon knifed its way through the water at 30 knots an hour in an effort to evade the deadly markmanship displayed during the Canadian torpedo attack.
>
> In another manoeuvre when darkness fell across the bay, the Canadian destroyer Vancouver with all lights out, played hide-and-seek with the Saguenay, Skeena and

Champlain as the offensive ships. The three destroyers combed the darkness and suddenly "star shells" turned night into day, revealing the Vancouver vainly pretending to be a rocky headland of the wooded island. Crew of the Vancouver were eating supper in darkness when the shells from the other destroyers disclosed their position.

Later the Canadian tars showed their prowess as "excellent" gunners, submerging every floating target with a barrage that reechoed from the mountains and cliffs of the historic Spanish Main.

I read this article simply as a protest against the manner in which public money is being wasted. The minister has told me that it costs this country something like $2,200 per day to keep these four destroyers in operation. In times of prosperity perhaps these games of hide-and-seek might be tolerated but during a time of crisis when the people are suffering hardships I think such games should cease altogether. I am speaking only for myself when I say that I believe the country could be saved a vast amount of money if the department would sell these four destroyers for whatever they would bring. I believe to spend $2,200 per day in order to allow these gentlemen to cruise in the West Indies is a waste of public money which should not be tolerated any further.

Mr. SUTHERLAND: I should like to say a word or two to correct an impression which seems to exist in connection with the cruises in the south during the winter. It would be impossible for these ships to go to sea in our northern waters and it is almost imperative to follow the practice which has been followed for some time and send these ships to warmer waters during the cold months. They are able to take advantage of the fact that the northern Atlantic squadron is there also. They have an opportunity of perfecting themselves in naval manoeuvres and execution. It was decided some time ago that we should have some naval strength in this country and as long as we have that strength, these vessels must carry on training manœuvres.

Item agreed to.

Royal Canadian Air Force—expenses in connection with the general maintenance and training of the permanent and non-permanent active air force, and provision of facilities therefor, $1,805,000.

Mr. RALSTON: Could the minister tell us if any new aircraft have been purchased?

Mr. SUTHERLAND: No.

Mr. RALSTON: Are the Siskins still in operation?

Mr. SUTHERLAND: Yes.

Mr. RALSTON: Is all the training being carried on at Trenton or is there some still being carried on at Camp Borden?

Mr. SUTHERLAND: There is some at Camp Borden.

Mr. RALSTON: Could the minister give me the division of activities between the two places?

Mr. SUTHERLAND: We are moving from Camp Borden to Trenton as fast as conditions warrant. Last year facilities were provided at Camp Borden for ab initio flying, defence flying, specialized training of the Royal Canadian Air Force personnel and training of civil pilots. Last year at Trenton there was the nucleus of one fighter and one army cooperation squadron. There is no training carried on there except the training of these squadrons.

Mr. SANDERSON: Could the minister explain the increase of $400,000?

Mr. SUTHERLAND: It will be necessary to say a general word about that. I think most hon. members will agree that the air force estimates have been reduced most drastically during the last three or four years since I have been head of the department. Two years ago we had to let out quite a large number of the personnel to make the vote possible. Since then the vote was reduced again and everyone concerned was of the opinion that it would be a very false move to let out any further personnel. Consequently there was not really enough money in the last vote to get the full benefit of the air force as we had it. We had too much personnel for the amount of money—that is, to allow them to fly. As a matter of fact they were grounded too much, as the expression is, and it must be realized that, granted that we are to have an air force, we must have more money for them to operate. There will be some new planes purchased, and everything that goes with them in the way of apparatus and equipment to assist in the training.

Mr. RALSTON: With regard to the purchase of new equipment, can the minister tell me what he has in mind? Is it something in the way of light training craft?

Mr. SUTHERLAND: No. The present idea is to buy six aircraft of a type suitable for advanced training, and they will probably be bought in England.

Mr. RALSTON: What type?

Mr. SUTHERLAND: I am told that it is the type under consideration.

Mr. RALSTON: I do not want the minister to give away the order, because I suppose he expects some competition.

Mr. SUTHERLAND: There cannot really be very much competition in a matter of this kind, because the specifications for one aircraft are different from those of another, but the officials have been going into the matter with the idea of getting an airplane which will be most suitable to our needs from every standpoint for training purposes, bombing, photography, machine gun work and so on, to enable instruction to be given along these lines to the best advantage.

Mr. RALSTON: Does the minister think he will find any combination which will serve for bombing, photography and fighting as well?

Mr. SUTHERLAND: The hon. gentleman is probably more expert than I am; I have to depend on the officials, and it is along that line that they are working, to secure a plane which can be put to the most advantageous use.

Mr. RALSTON: Will six be the limit he expects to buy?

Mr. SUTHERLAND: That is what we have in mind at the present time.

Mr. RALSTON: What is the estimate?

Mr. SUTHERLAND: The amount for the new aircraft item is $80,000.

Mr. RALSTON: Can the minister give me a summary of the usable aircraft now on hand in the R.C.A.F.?

Mr. SUTHERLAND: There are now ninety-nine in active use and in immediate reserve there are thirty-four, in reserve fifty-eight, or one hundred and ninety-one altogether.

Mr. RALSTON: The minister said something about ninety-nine being in active use.

Mr. SUTHERLAND: Yes.

Mr. RALSTON: Can he give me some particulars, dividing them into training aircraft and fighting craft, bombers?

Mr. SUTHERLAND: In what is called the fighter flight there are five Siskins active and two in reserve, and in the cooperation flight there are two active. In No. 4 squadron there are seven active and four in immediate reserve, and in No. 5 squadron there are eight active and one in reserve.

Mr. RALSTON: Are those all cooperation planes?

[Mr. Sutherland.]

Mr. SUTHERLAND: Cooperation planes?

Mr. RALSTON: I thought the minister referred to them as army cooperation planes?

Mr. SUTHERLAND: Yes; they are in the army cooperation flight.

Mr. RALSTON: As regards the two squadrons the minister has mentioned, do they come within the classification he has just read?

Mr. SUTHERLAND: It is No. 4 squadron.

Mr. RALSTON: What about the ninety-nine in active use?

Mr. SUTHERLAND: At the Royal Canadian Air Force station in Ottawa there are fourteen active and ten in reserve.

Mr. RALSTON: Are there many Fairchilds in that?

Mr. SUTHERLAND: There are one Fairchild 51 and five Fairchilds 71.

Mr. RALSTON. How are the ninety-nine made up?

Mr. SUTHERLAND: At the Royal Canadian Air Force station in Winnipeg there are one Fairchild 51; one Moth 60; one Moth 80; two Fairchilds 71 and one in immediate reserve. At Borden there are eleven in active use and three A flight, seven B flight and seven in active reserve.

Mr. RALSTON: What about Trenton?

Mr. SUTHERLAND: What I read last refers to what is called the training group; I am told by my officials that it includes Borden and Trenton.

Mr. RALSTON: What make of planes does B flight include?

Mr. SUTHERLAND: B flight includes two Avros, three Fairchilds F.C.W.W.; two Fairchilds 71.

Mr. RALSTON: How old are the Avros?

Mr. SUTHERLAND: None has been bought since I have been in the department.

Mr. RALSTON: They are very old?

Mr. SUTHERLAND: Yes.

Mr. MacNICOL: The ex-air force men in Toronto have been trying to form a volunteer squadron. Has any progress been made in aiding them?

Mr. SUTHERLAND: Yes. There is a squadron authorized and formed now in Toronto. The squadron leader is G. S. O'Brien and we hope this year to be able to give them some training.

Item agreed to.

Civil aviation—expenses in connection with the control of civil aviation, airways and airports, government and public airports and grants to airplane clubs, $187,000.

Mr. RALSTON: Will the minister tell us generally how that vote is made up? I notice the airplane clubs still get a grant.

Mr. SUTHERLAND: It is as follows:

Controllers of civil aviation..	$ 60,851
St. Hubert airdrome..	27,790
Airplane clubs and aviation schools..	24,000
Airways and airports..	74,359
Total..	$ 187,000

Mr. RALSTON: Are there any grants at all from the department for mail services?

Mr. SUTHERLAND: No, they are altogether under the Post Office Department.

Mr. RALSTON: Perhaps the minister as a member of council will tell me if they are in the Post Office vote?

Mr. SUTHERLAND: Yes, they are.

Mr. RALSTON: I suppose this is where the minister would hope to make the increase when the time comes to add to civil aviation activities; and here it seems to me is where a lot of useful service might be done. I again urge on the minister, because I think this is the appropriate place, that favourable consideration be given to an increase of activities in connection with civil aviation. I think Canadian citizens generally have shown remarkable interest in aviation matters. Years ago cities and municipalities did a lot towards constructing airports, giving us the nucleus for the chain of landing fields which are now being constructed. As I said last night, we already had a mail service established across the easier part of Canada, that is across the western prairies, and service had been given over the route now being covered by the construction of the air fields through northern Ontario. Aviation has entered largely into the development of our north country. I feel that aviation is still in the experimental stage to a degree that makes it necessary for the government to take considerable interest in civil aviation activities. I presume the minister's policy is the same as that of those who preceded him, that is not to carry on commercial aviation beyond the point of exploration and experimentation in order to furnish information to those engaged in civil aviation, and to provide at least some personnel able to take the initiative and form the nucleus of a group engaged in civil aviation in Canada. I hope that will continue to be the policy; I am not one of those who believe in government going wholesale into civil aviation or other commercial activities, but I want to impress upon the minister and the government the great desirability of encouraging aviation in Canada by increasing as far as possible air mail services and giving contracts directly to the organizations that are in a position to carry out air mail services; also in order to provide employment for civil aviators and to encourage the whole field of aeronautical development. I think the government can do a great deal in that respect, and I would hope that some air mail services which have been abandoned may be reinstated, not only for the purposes of air mail, but for the purpose of developing aviation generally in view of what it means to the future of Canada.

Mr. LUCAS: What air mail services are being carried on at the present time in Canada?

Mr. SUTHERLAND: These are the services: Montreal-Albany; Narrow Lake-Sioux Lookout; Winnipeg-Pembina; McMurray-Aklavik; Bissett-Lac du Bonnet; Peace River-North Vermilion; Big River-Ile à la Crosse; Resolution-Great Bear Lake; Prince Albert-Lac la Ronge; Amos to Siscoe, and summer services: Rimouski-Montreal and Vancouver-Victoria.

Winter services only: Leamington-Pelee island; Quebec-Seven Islands; Seven Islands-Anticosti; Moncton-Charlottetown; Charlottetown-Magdalen islands.

Mr. SPENCER: Will the minister inform the committee how many air mail routes were cancelled at the time reductions were made?

Mr. SUTHERLAND: I cannot tell that, because it is not under this department, but under the Post Office Department. The route from Winnipeg to Lethbridge and up to Edmonton and Calgary was the major cancellation.

Mr. COOTE: Are government airplanes used in transporting geological survey parties in the northern part of Canada, when parties are sent out by the department?

Mr. SUTHERLAND: Yes, they would be our planes.

Mr. COOTE: If the Department of Mines should be persuaded to do some more geological work would the air mail force now existing be quite sufficient for any work of that nature?

Mr. SUTHERLAND: The services needing the help of aviation operations have a com-

mittee that try to work together and select the services which are the most important and pressing, and we try to do their work.

Mr. FRASER (Cariboo): I understood the minister to say that $74,000 of this vote was devoted to construction of airways and airports. I should like to know how much was spent on work of that kind during the last year, and what the general policy of the government is in regard to the undertaking of construction of airways. The reason I ask is that I have at least half a dozen communications from boards of trade in different parts of my district, which of course covers a very large area, asking for government assistance in connection with the construction of airports at local points. I would like the minister to tell me what his general policy is in regard to assistance of that kind to air ports in different parts of Canada.

Mr. SUTHERLAND: The government never has assumed the responsibility of building aerodromes for municipalities. From the beginning we have regarded that as entirely a municipal duty. But we have always been ready to assist with engineering and expert knowledge. If it is an important aerodrome that will probably be used at night we would assist them to a certain extent in the ground lighting facilities.

Mr. VENIOT: A few minutes ago the minister gave a list of air mail services. Are there any government airplanes engaged in those services or are they all under contract with companies?

Mr. SUTHERLAND: They would all be under contract with the exception of the Montreal-Rimouski service, which in the last year or so has been flown by our planes.

Mr. VENIOT: In view of further development of air mail services from coast to coast are any negotiations going on between the Department of National Defence and the Post Office Department as to how this scheme should be carried out? Is a policy being considered of having that service carried out by the Department of National Defence or entirely by contract with private companies?

Mr. SUTHERLAND: That question has received a great deal of close attention by a committee on which the Post Office Department has been represented. They have gone a long way, in fact as far as they can without some money to spend; they have not made any definite recommendation as to whether the larger services, when inaugurated, should be flown by the government or by a private company. There has been no decision arrived at in that regard.

[Mr. Sutherland.]

Mr. VENIOT: Can the minister tell us the cost of the summer service between Rimouski and Montreal, undertaken by the Department of National Defence? How much per mile?

Mr. SUTHERLAND: I doubt very much if I am in a position to tell that, because it was our own machines that were engaged in that service and I do not think it has been figured in that way, so far as I have it here.

Mr. VENIOT: Can the minister say why the change was made from a private company to the Department of National Defence?

Mr. SUTHERLAND: The contract was cancelled purely for financial reasons; the Post Office Department did not have the money with which to carry it on. Then on more mature consideration being given, this was regarded as a very important link in the air mail service, bringing the mail from the ships at Rimouski up to Montreal and vice versa, and it was then considered that we had plenty of airplanes and plenty of pilots and that they could do that work.

Sir EUGENE FISET: I congratulate the minister on the action he has taken. The service is carried on better, the pilots are better qualified and the air mail service is better looked after.

Mr. VENIOT: Since I was at the head of the Post Office Department when that service was inaugurated, I think in 1928, I was glad to learn that it is the intention of the government to maintain that service. In the initial stages it was somewhat difficult to give the service that we desired, but as years rolled by and improvements took place in air transportation we were able to give a very efficient service between Rimouski and Montreal by 1930.

I have yet to be convinced that the service can be more efficiently operated by the Department of National Defence than by a private company. As I understood the minister a few moments ago the change to the Department of National Defence was not made on grounds of efficiency but on grounds of economy. When it was initiated the service cost about $1.25 per mile under contract with a private company. No doubt air mail service which in 1928 or 1930 cost all the way from 90 cents to $1.25 a mile according to the district covered could be furnished to-day for a great deal less, and with all the red tape that surrounds matters pertaining to national defence I doubt whether the department can do that work at a lower cost than would be charged by private companies. I regret that the minister is not in a position

to give me the cost per mile and the poundage of mail matter carried since the Department of National Defence took over the service from Rimouski to Montreal. I am sure that if those figures could be obtained it would be found that the work could be done more cheaply under private contract than it is being done by the department. I have no fault to find with any of the services being carried on by the department, because I know nothing about them, but I do know something about the mail service.

I must say here, Mr. Chairman, that I very much regret that the government has seen fit to do away with many of the air mail services which were established during my time as Postmaster General. Economy was given as the reason why certain services were abandoned, but I think if care had been taken in the carrying on of those services, with the yearly increases in poundage and in revenue which were then taking place, and especially with the revenue from first class matter increased through an increase in postage from 2 cents to 3 cents per ounce in certain districts and from 5 to 6 cents in others, if those services had been continued, it would have been discovered that they would have been brought up almost to a paying basis. In 1931 the 2 cent air mail service which was given to districts inaccessible by any other means, such as newly developed mining districts, the Mackenzie river district up to Aklavik, the Anticosti island district and the Magdalen island district in winter time, showed a surplus of revenue over expenditure of $169,000. The five cent service from Saint John to Montreal, it is true, was not paying; there was a deficit. The service from Montreal to New York was almost at the point where it was paying expenses. The service from Toronto to certain sections of the United States was bringing in more revenue each year, and there was a clause in the contracts with these private companies providing that on one month's notice the contracts could be changed and new arrangements entered into. It was contemplated that the rate, which varied from 90 cents to $1.20 a mile, could be reduced somewhat due to lower costs of operation, and at that time the department was about to open negotiations looking to better arrangements under these contracts. The total deficit, including that for the services in the western provinces, was in the vicinity of $750,000 annually, less the surplus of $169,000 which I have mentioned. With increased revenues resulting from greater development in the western provinces and with increased revenues on the services between Halifax and Montreal, Montreal and New York and Montreal and Toronto, that deficit would have been reduced by something like $250,000 to $300,000 by 1932.

So I say it is a pity, Mr. Chairman, especially now that there is talk of trans-Atlantic and even trans-Pacific air mail services, that these links which were giving satisfaction and which it was intended to extend from the Atlantic to the Pacific, have been discontinued. Had these been in operation to-day Canada would have been placed in a premier position in connection with air mail transportation, since we would have had a service by means of which mail could be transported from the Atlantic to the Pacific in some eighty to ninety hours instead of taking from five to six days. I regret very much that the government has cut the principal services to such an extent; I do hope that in the negotiations which I understand have been undertaken recently the government will see its way clear to the establishment of a trans-continental service from the Atlantic to the Pacific, that that service will not be combined with the railway service of Canada, and that the air mail service shall be distinct and apart from the Canadian railway system. We have companies in Canada big enough and financially strong enough to undertake that service, without the necessity of combining with the railway services. The railway mail service is costing Canada between $7,000,000 and $8,000,000 yearly, and while it is efficient, I believe the mail service could be made more efficient by the addition of air mail facilities. That addition should not in any respect interfere with the railway mail service operating to-day. I hope that when the government reach the point where they are in a position to decide as to the re-establishment of these routes, they will do so. I am speaking from the viewpoint of encouraging civil air service in Canada. As the ex-Minister of National Defence said a while ago we would not have our present air service in Canada had it not been for the fact that the Post Office Department stepped into the breach in 1927 and 1928 and inaugurated a system of air mails. At that time the air mail service formed the nucleus for commercial air services carried on in Canada.

I hope that in the very near future the government will make up its mind that the day has come when Canada should have an air mail service stretching from the Atlantic to the Pacific.

Mr. BOUCHARD: As one who is not air minded may I ask if the minister has any figures to show the ratio of casualties per mile travelled in air, on land and on sea. I refer to the number of casualties through travel

by motor car and by sea transportation. Further, has he a comparison of our figures with those of our neighbour, the United States?

Mr. SUTHERLAND: I am unable to give the hon. member all the information, although I have some with regard to accidents. I am very glad indeed to be able to say that in the air force during the past year we have not had a fatal accident, and not one person has been lost. In civil flying there were twenty-two accidents, involving injuries. Eleven pilots were killed and seven injured; thirteen passengers were killed and six injured.

Mr. VENIOT: Was that in Canada?

Mr. SUTHERLAND: Yes.

Mr. BOUCHARD: Has the minister any comparative figures as to casualties in different types of conveyances, because some people are prejudiced against travelling by air. Has the minister any figures to show the number of casualties by air travel as compared with casualties on land, through the use of motor cars and railways and travel by sea.

Mr. SUTHERLAND: I have not those figures.

Mr. GERSHAW: A great many young men in Canada, who have had experience in mechanical work are anxious to join the aviation service. I should like to ask the minister what openings or opportunities there are at the present time or are likely to be in the near future, and what training is necessary to qualify?

Mr. SUTHERLAND: The hon. member has raised a point which is brought home to me very often, due to the fact that there are a great many applications from young men wishing to enter the service either as fliers or as mechanics. At the present time, owing to reduced votes, it has been obviously impossible to take on any new men. However as things open up we hope gradually to be able to take on a few more.

Mr. MacLEAN: If I understand the minister correctly, his department does not contribute anything to the establishment of air ports. For the last few years in the town of Summerside we have been endeavouring to get an air port, and different representations have been made to several departments of government. A field can be procured in a most suitable locality near the town, but the town does not feel it can afford the expense of providing and paying for an air port to be used by the whole of the province, and for interprovincial service. I understand only a very small outlay would be necessary to put the field in splendid condition, and I should like to know from the minister or from hon. members in charge of any other governmental department if any assistance could be given in a matter of that kind.

Mr. SUTHERLAND: We have considered the proposition outlined by the hon. member. The one he has described is exactly the same as that described only a few moments ago by another hon. member. The government has never followed the policy of providing municipal air ports. If the town would buy the air port we would give every possible assistance,—that is, short of financial assistance —such as engineering help, advice or anything of that nature.

Mr. SPENCER: Do I understand the minister to say that his department keeps a waiting list of trained would-be pilots, and that it is of very little use for any new men to apply because of that waiting list?

Mr. SUTHERLAND: Well, to a certain extent that is undoubtedly correct. At the present time we have a large waiting list.

Mr. VENIOT: Has not the government given assistance to air ports under the unemployment relief measures? I understand it is extending the air port at Saint John, New Brunswick, and that it has laid out other air ports or landing ports in that province. I know that only a few years ago two were supposed to have been laid out; I do not know, whether or not those plans have been carried out. It would seem however that the government has given some aid towards the opening of air ports in different parts of Canada.

Mr. SUTHERLAND: I believe the ones in the province of New Brunswick to which the hon. member has referred are the intermediate landing fields. Those fields may be situated in the middle of the province. Of course the field at Saint John was supplied by the municipality, and it was only because we could help the unemployed that work was done at that point.

Mr. VENIOT: Would that not apply to Summerside?

Mr. SUTHERLAND: No, it could not, because the government has never been convinced that there was an unemployment problem at that point which would warrant such action.

Mr. MARCIL: I should like to know from the minister if there is any landing field or air port in the Gaspe peninsula?

Mr. SUTHERLAND: No.

Mr. MARCIL: Is the air mail service given to the Magdalen islands the same as was given last year and the year before; is it weekly, fortnightly, or how often is it operated?

Mr. SUTHERLAND: It is a weekly service, given only in the winter.

Mr. MARCIL: Apart from the Anticosti service, what other service is given to the north shore of the St. Lawrence?

Mr. SUTHERLAND: The Seven Islands to Anticosti service is a winter service given semi-monthly. The service from Quebec to Seven Islands is semi-weekly in the winter.

Mr. MARCIL: The service does not go beyond Seven Islands and Blanc Sablon?

Mr. SUTHERLAND: No.

Mr. MARCIL: There is a mail service there in the winter time which, I understand, is operated by dog sleighs, or some such means. Would it not be better to have an air mail service on the north shore of the St. Lawrence? Has that matter been considered at all?

Mr. SUTHERLAND: That would be a matter for the consideration of the Post Office Department. They look after the data necessary for the establishment of a service.

Mr. MARCIL: I suppose the minister is aware of the strategic situation of the Gaspe peninsula? At the outbreak of the war the whole fleet mustered in the Gaspe basin before sailing for the other side. Would it not be desirable to have a landing place where such fine pioneering work was done by Count de Lesseps, the first aviator who came to Canada and who perished on the Gaspe peninsula? I think that immense territory covering ten thousand square miles should have an airport.

Mr. SUTHERLAND: That will undoubedly come in time, but at present an airship using floats or a flying boat could easily land in one of the many harbours around that coast.

Mr. MacLEAN: I understand that through the Department of Labour a lot of development work in connection with airports has been done in other parts of Canada. I should like to ask if the sites for these airports in other municipalities and towns throughout the country have been purchased by the municipalities, and whether the Labour department simply expends money on their development in connection with unemployment relief. Are the sites for the air ports purchased by the government or by the municipality?

Mr. SUTHERLAND: If a municipality had an airport on which some work could just as well be done, and unemployment was a pressing problem at that place, the work could be done under the unemployment relief scheme. Cases such as the hon. gentleman outlines on the island, of the government buying an airport and proceeding to develop it, are not in existence.

Mr. MacLEAN: In none of these other cases has the government purchased the site?

Mr. SUTHERLAND: I must make it clear that no city sites at all have been purchased. Along an airway carrying mail the landing fields under ordinary circumstances would be from four to five hundred miles apart, depending on the ship. That certainly would be the case on a transcontinental airway, but every twenty-five miles there would be intermediate aerodromes which could be used in cases of emergency. These aerodromes might be located in a small village or out in a field, with nothing around, which could be developed for the purpose. The government would arrange for the acquisition of a site such as that, but not in a town.

Mr. MacLEAN: The situation with us on Prince Edward Island at the present time is that we have an air mail service, and just to-day I took the matter up with the Post Office Department, with a view to getting a little better service and having the mail picked up at Moncton from both the ocean limited and the maritime express and taken over to the island, but I was told by the Post Office Department that as we had no landing field at Summerside they did not think they could continue the service. At the present time the aeroplane is landing on the ice in the harbour. However, we were able to secure the assurance from the department that they would order the mail to be carried by the plane until such time as the harbour becomes unsafe for landing. I just wanted to know whether it was the practice for the municipality or the government to purchase a site for an airport in a town. I think that the municipality has been assured by the department of substantial assistance from an engineering point of view. It would not take very much to put the field in shape. I just wanted to know whether in other sections of the country towns and cities have been given assistance in the purchase of sites for airports.

Mr. SUTHERLAND: None whatever in cases such as my hon. friend mentions.

Mr. MARCIL: This may not be altogether regular, Mr. Chairman, but I might as well put the question and get an answer. There is going to be a big celebration in Gaspe in the month of August to celebrate the four hundredth anniversary of the discovery of Canada. I would ask if it is the intention of the department to take any part in that celebration with aeroplanes or an aviation display. France has formed a committee with the president of the republic at its head, and committees have also been formed in Montreal, Toronto, Gaspe and other parts of Canada. I know that the minister as a good Canadian would like to honour the discoverer of this country. Are any plans under study at the present time to participate in that celebration? France, I understand, intends sending over a warship and a delegation of distinguished men to commemorate the landing of Jacques Cartier at Gaspe. Has the minister given this matter any consideration at all?

Mr. SUTHERLAND: Yes, it has received some attention, and our district officer commanding at Quebec is acting as one of a committee to find out in what way cooperation is desired and can best be given. I can assure my hon. friend that in any way we possibly can we shall be only too glad to cooperate in the celebration of this great event.

Mr. MacNICOL: I should also like to mention the great celebration that is to take place this year in the city of Toronto, on the occasion of the one hundredth anniversary of the founding of our city. Will there be any aviation or aerial display by the department in connection with that celebration.?

Mr. SUTHERLAND: No details have been settled yet, but as the hon. gentleman knows the city has made representations respecting a trans-Atlantic flight of British aeroplanes during the celebration. No definite reply has been received as yet, and at the moment I can only say that if there is anything we can do we shall be glad to do it. Of course, our military forces in Toronto will be cooperating to a very large extent.

Mr. MacNICOL: Thank you.

Mr. VENOT: Perhaps this matter does not come under the minister's department, and if so I shall drop the question, but I should like to ask why a change was made in the service between Moncton and Shediac and the Magdalen islands and from there to Charlottetown.

Mr. SUTHERLAND: I do not know.

[Mr. MacLean.]

Mr. VENIOT: While I am on my feet, without wishing to take away any of the glory that might come to Gaspe from the discovery by Jacques Cartier of Canada and the celebration that is going to take place this summer, I note that the minister has said that the dominion government may play some part in it, but I should like to point out to the minister and the committee that Jacques Cartier did not first land at Gaspe but at Father Point, at the entrance to Bathurst harbour, and from Bathurst harbour he crossed to Gaspe and placed a cross on the shores of the Gaspe basin. When the government is debating what part they shall play in this celebration, I hope they will give consideration to the fact that there are only a few miles between Gaspe and Bathurst across the Baie des Chaleurs, and I trust that they will not forget to give us a call at Bathurst, where we shall try to receive them as best we can.

Item agreed to.

Radio services—for maintenance and operation of the Northwest Territories radio system, $199,425.

Mr. REID: Many departments have an item for radio service. We passed one last night for $590,000. Would the minister please explain this item?

Mr. SUTHERLAND: This radio service is carried on in the north country from Edmonton right up to the mouth of the Mackenzie river and Herschell island. It has been in use for a number of years and is manned by the Royal Signal Corps.

Mr. MARCIL: How far north does it extend?

Mr. SUTHERLAND: Right to the Arctic, to Herschell island at the mouth of the Mackenzie river.

Mr. MARCIL: Is there apparatus up there for sending as well as receiving messages?

Mr. SUTHERLAND: Yes, they send and receive messages.

Item agreed to.

Battlefields memorials, $90,000.

Mr. MARCIL: Has this work been completed?

Mr. SUTHERLAND: The only work remaining to be done is the completion of the memorial at Vimy which it is expected will be completed towards the end of 1935.

Item agreed to.

To provide for the book of remembrance of members of the Canadian forces, and Canadians in the forces of the British Empire who lost their lives in the great war, $7,500.

Mr. REID: Canada is justly proud of the peace memorial which we have here in Ottawa but I do not believe it has received sufficient publicity. I suggest to the minister the getting out of a little booklet giving a full description of the peace tower and the book of remembrance, for which perhaps a small charge could be made. If that were done the people of Canada would know what a fine memorial we have.

Mr. LUCAS: When will this book be completed?

Mr. SUTHERLAND: We expect in three years. The names are being written in by hand but good progress is being made.

Item agreed to.

Adjustment of war claims—national defence —militia services, $59,500; naval services, $500.

Mr. COOTE: Could the minister tell us when the history of the war will be completed and how much has been completed to date?

Mr. SUTHERLAND: The first volume is practically completed, being ready for final proof reading. It will include the history up to the battle of Festubert. There will be a number of appendices in connection with the activities of the Canadian forces before the war. It will deal with the formation and dispatch of the first contingent and the activities of the Canadian forces in the field up to the battle of Ypres.

Mr. MARCIL: Will that be published in French as well as in English?

Mr. SUTHERLAND: Yes, arrangements are being made to have it published in French.

Mr. REID: Do these war claims arise out of lost property and so on?

Mr. SUTHERLAND: They arise as an aftermath of the war. We might have a case where a soldier was entitled to a separation allowance or gratuity for which he had not claimed. He puts in a claim later on and if he is found to be entitled to it after careful examination, it is paid from this vote.

Mr. REID: An appeal was made to me by a man who claimed to have been torpedoed and mined. He did not put in a claim to the reparations commission and I should like to know if he could put in a claim under this vote.

74726—99½

Mr. SUTHERLAND: If the hon. gentleman would let us have the details of the case, we could look it up and give him an answer.

Mr. VENIOT: That would come under the Secretary of State.

Item agreed to.

DEPARTMENT OF AGRICULTURE

Dairying, $234,000.

Mr. GIROUARD (Translation): Mr. Chairman, when the house adjourned on Friday last, I was drawing the attention of hon. members to the supineness of the hon. Minister of Agriculture (Mr. Weir) in connection with the agricultural interests of Ontario and Quebec. I also deplored the large reductions made each year by the hon. minister in the agricultural budget. I was commenting on the item referring to cheese which the committee is at present considering. When the Imperial Economic agreements were discussed and approved in Ottawa in 1932, the government considered that they had made a great advance towards improving the situation of our farmers. The right hon. Prime Minister (Mr. Bennett) took the pains in his speech to refer especially to cheese, pointing out the importance he attached to these so-called concessions from the United Kingdom in connection with our cheese exports. On October 12, 1932, he expressed himself in the house as follows:

Canada will enjoy in the British market free entry for three years, with preference margin of 15 per cent which will be maintained during the currency of the agreement.

Not only, sir, did this treaty not attain the object sought, but we note that cheese exports are yearly decreasing and that instead of occupying the first place, Canada has dropped to-day to the fourth place in this respect. That is why the bulletin of the bureau of statistics on October 17, 1933, published the following statement:

Within the last twelve months cheese exports have been much less than those of the previous year.

The Trade Information Bulletin dated February 10, 1934, has the following:

The decrease of Canadian cheese exports and the latest increase in New Zealand products, have been noted with disappointment. Canada which, previously, was the principal cheese supplier of this market has seen its quota drop more than 10,000,000 pounds.

The bulletin issued by the Dominion Bureau of Statistics, dated February 10, 1934, states:

The Canadian Trade Commissioner to the United Kingdom writes as follows: The reduction in the Canadian cheese exports and the

further increases in the imports of the commodity from New Zealand are disappointing, to say the least. Canada was, previously, the principal cheese supplier of the United Kingdom, and now, in the course of last year, its cheese exports have decreased 100,000 hundredweight, namely, they have been dropped to 629,000 hundredweight.

Moreover, the bulletin issued by the Dominion Bureau of Statistics, dated March 9, 1934, states:

The following is Canada's relative position among Great Britain's suppliers, in January of the current year: cheese—fourth instead of second, in January, 1933, and first a few years ago.

Another bulletin, dated March 12, 1934, mentions that the production of fermented cream cheese, in Canada, has considerably decreased and that our exports which had reached, a few years ago, 32,000,000 pounds had dwindled down to 940,000 pounds.

The following are our cheese exports to Great Britain, from 1929 to date: In 1929, we exported 1,126,092 cwts.; in 1930, 922,937 cwts.; in 1931, 795,904 cwts.; in 1932, 854,247 cwts., and in 1933, 629,000 cwts. That is, between 1930 and the present day, our cheese exports to Great Britain have decreased by 497,092 cwts., or 49,709,200 pounds.

While we were losing the British market, we were importing, in 1931, 1,685,045 pounds of cheese; in 1932, 1,377,344 pounds and, in 1933, 1,103,395 pounds.

Before proceeding with my remarks on the subject, may I, sir, remind the house of a statement made by the hon. Minister of Agriculture. On May 10, 1932, referring to the dairy industry he expressed himself as follows:

So I think if we were to concentrate on dairy products we should concentrate on cheese. . . .

It is unfortunate that the hon. Minister of Agriculture limited his effort to this suggestion. His inertia has caused our exports to considerably decrease and, as I stated a moment ago, instead of occupying the first place on the British market, as a cheese exporting country, we have dropped, to-day, to the fourth place. That is an unfortunate result of the Imperial Economic Conference agreements, at Ottawa, in 1932.

During the last election campaign in the constituency which I have the honour of representing, I well remember that it was difficult, if not impossible, to force the Conservative candidate to discuss any other subject but butter. Although the farmers were obtaining a profitable price for that commodity, from 1922 to 1930, the Conservative candidate promised that should the Conservative party assume power, butter imports would be entirely shut out and predicted very profitable prices.

Previous to quoting figures on butter imports, sir, may I point out that it is very difficult to obtain information in this respect. Ever since the Bureau of Statistics has become a kind of advertising agency for the government's policy—and this, I am quite sure contrary to the wishes of Mr. Coats, who is an expert in this connection—it is difficult to obtain reliable statistics. Those that are at our disposal are incomplete and, at times, contradictory. However, I have done my best to gather statistics which seem to be most reliable and reveal the true situation. From October 1, 1930 to April 30, 1931, the government has permitted the importation of 5,031,-419 pounds of butter; out of this quantity, 2,147,494 pounds were imported from February 1, 1931, to April 30, 1931. In 1932, our butter imports amounted to 879,670 pounds; in 1933, 1,377,137 pounds. I was almost forgetting 1931. It was the year which immediately followed the election, in the course of which my opponent had promised the farmers that butter imports would absolutely cease, that butter would not be allowed to enter Canada, that the government would raise the tariff sufficiently so as to bring about higher prices than those prevailing in August, 1930. Would you be amazed, sir, if I informed you that, for 1931, we imported into this country 16,500,801 pounds of butter? These figures are not included in the statistics which the hon. Minister of Trade and Commerce (Mr. Stevens) or the hon. Minister of Agriculture (Mr. Weir) gave to the house; however, I find these figures in the Canada Year Book, 1933, at page 565. The hon. Minister of Agriculture will note that, for the year 1931 alone, we imported 16,500,801 pounds of butter.

Mr. GOBEIL (Translation): The calendar year or fiscal year?

Sir EUGENE FISET (Translation): The university year!

Mr. GIROUARD (Translation): The Canada Year Book, 1933, page 565.

Mr. GOBEIL (Translation): The calendar year?

Sir EUGENE FISET (Translation): The university year!

Mr. GIROUARD (Translation): It must be the calendar year. I refer the hon. member to the Canada Year Book, 1933, page 565.

I have no information about our butter imports for the year 1934 up to date; however, I note that in February 1934, we im-

ported from New Zealand alone, 450,000 pounds. Evidently, we also imported from Australia and other countries, as in previous years.

I do not intend to discuss further this subject; however, I wanted to point out that once more the government had not kept its promises to the farmers of the various provinces. In the constituency which I have the privilege of representing the farmers were greatly amazed to note that we are still importing butter from New Zealand, Australia, Great Britain, Syria, the Fiji Islands and other countries. It is true, that the farmers of Drummond Arthabaska place no faith in those promises; however, I wished to point out, on their behalf, the pledges made in my presence and, to protest against the policy, at present, followed by the department of Agriculture which entirely neglects the interests of the Ontario and Quebec farmers.

Hon. ROBERT WEIR (Minister of Agriculture): I am sorry I could not follow in detail what the hon. member (Mr. Girouard) said with regard to imports and exports of butter and cheese. There has been a gradual falling-off in our exports of cheese, a continuous decrease over a considerable number of years. The maximum exports of cheese were in the year ending June, 1904. In that year we exported 233,980,716 pounds. In the year ending March, 1908 that had decreased to 189,710,463. Coming down to more recent years, in the year ending March, 1926, our exports of cheese were 148,333,500 pounds, and in the year ending March, 1927, they had dropped to 136,665,400; in the year ending March, 1928, they were 105,212,600; in 1929-30 they were 92,293,700, and in 1930-31 they were down to 79,590,400—that is, in March, at the end of that fiscal year. In other words, from the year ending March, 1926, to the end of the fiscal year in which the government changed, the reduction in exports was some 47 per cent, from 148,000,000 pounds to 79,000,000 pounds. In the year ending March, 1932, the exports of cheese had increased to 85,424,700, or about 8 per cent, and in the year ended March 31, 1933, the last year for which we have information, the exports were 85,711,600 pounds.

With regard to the imports of cheese in the corresponding years, in the year ending March, 1926, the imports into Canada were 6,678,757 pounds, and during the year ending March, 1933, the imports of cheese into Canada had dropped to 1,103,391 pounds. This cheese is practically all of a type that is not made in Canada.

Now for the imports and exports of butter. In 1926-27 the imports of butter were 7,029,084; in 1927-28 they were 15,626,007; in 1928-29 they had increased to 25,609,915; and in 1929-30 the figure was 41,919,372. The hon. member quoted the imports of butter for 1931, but that is really for nine months of the year 1930, because the 1931 figure is from March 31, 1930, to March 31, 1931, when we imported 16,500,801 pounds. In 1931-32 the imports were down to 879,670 pounds and in 1932-33 they were 876,894 pounds. This shows that butter from outside the dominion has not been coming in during the past two years to any very considerable extent to interfere with the market for butter in Canada.

Mr. BEAUBIEN: Can the minister give any reasons why our exports of cheese have diminished to the extent they have, and why to-day we occupy fourth position instead of first? What is the cause?

Mr. WEIR (Melfort): The large decrease was not under the regime of the present government. I thought that was the criticism.

Mr. BEAUBIEN: I am not concerned about the regime under which it occurred, but the reason for it, if there is one.

Mr. WEIR (Melfort): The reason for this decrease over a large number of years is the increased consumption of milk per capita, which formerly went into cheese and the production of other commodities, particularly of butter, following the establishment of more modern creameries, and to relatively higher prices for butter than for cheese.

Mr. BEAUBIEN: Am I to take it that the reason our exports of cheese have diminished in the present year, and that we now occupy fourth place instead of first place, is that we are not making enough cheese?

Mr. WEIR (Melfort): My information is that we are in second place at the present time. The reason of course is that the cheese is not being made.

Mr. BEAUBIEN: This statistical bulletin of March 9, 1934, says that to-day we occupy fourth place in the export of cheese.

Mr. WEIR (Melfort): In what market?

Mr. BEAUBIEN: Total exports of cheese, all markets. Are the Canadian manufacturers of cheese not able to supply the export market, and is that the reason our exports have decreased so that we now occupy fourth place?

Mr. WEIR (Melfort): The information before me is that the Canadian exports to the United Kingdom for 1933 were 70,528,080 pounds; the New Zealand exports, 230,652,016. New Zealand is the only country that stands ahead of Canada in exports of cheese to the United Kingdom. If we had produced more cheese there would no doubt have been more cheese exported, but the reason we have not produced more, in addition to what I have given, I would say is that the market for the greater part of our cheese is the United Kingdom, therefore the price is the world price, and the world price of cheese has been forced down during the past two or three years particularly. When the farmer has the choice of taking, say, nine to eleven cents per pound for his cheese or getting a fair price for his milk converted into butter, the tendency is for the milk or cream to be diverted to the creameries for the manufacture of butter. That has led to a decrease in our production of cheese, which of course leads to the decrease in our exports.

Mr. BEAUBIEN: Did the minister say 11 cents a pound for cheese?

Mr. WEIR (Melfort): I took that as an example.

Mr. BEAUBIEN: Does the minister suggest that taking 17½ to 18½ cents for butter rather than 11 cents for cheese is sound business?

Mr. WEIR (Melfort): To produce an equal return the price of cheese should be 50 per cent of the price of butter or butter fat. But a farmer has to take other considerations into account, not only the price he will get for his cheese in comparison with butter, but in connection with butter the value of the by-product, the skim milk for the feeding of pigs and other uses on the farm.

Mr. BEAUBIEN: I happen to know a little about cheese. When I was a boy we used to take milk to the cheese factory, and I found that you could make more money by sending it there with cheese at say 9 cents a pound than by turning it into butter at 20 cents, even taking into consideration the by-products. And the farmer who takes his milk to a cheese factory has by-products, though they are probably not of as much value as if he separated his milk and shipped the cream.

It seems to me that there is confusion about these statistics, whether intentional or not I do not know. The minister says that according to his information we occupy second place in the market of Great Britain in regard to cheese exports. When I said a moment ago that we had fallen from first to fourth place in regard to all countries I made a mistake, this bulletin says:

Relative position of suppliers or exporters of cheese to Great Britain.

That is for January, 1934; it distinctly says that we occupied fourth position. If the minister's information is correct, that we occupy second place, while these bulletins that are circulated to the members almost every day show that we occupy fourth position, there is something wrong. It is confusing. The other day the hon. member for Comox-Alberni (Mr. Neill) complained about discrepancies in the statistics, and the same thing is very clearly brought out here.

Mr. WEIR (Melfort): If I heard the hon. member correctly, the bulletin which he quotes states that the position of Canada as exporter of cheese to the world market—

Mr. BEAUBIEN: No, I said that at first, but I corrected it—to the British market.

Mr. WEIR (Melfort): —was fourth. For what period is that? Is it just for the month of January?

Mr. BEAUBIEN: This bulletin, dated March 9, 1934, says:

The relative position of Canada among the exporters of cheese to Great Britain in January, 1934. . . .

Mr. WEIR (Melfort): There is no contradiction in the two statements. My statement was based on the yearly exports. In Canada very little cheese is made in the winter in comparison with the summer months.

Mr. BEAUBIEN: This bulletin says January, 1934. I suppose the comparison is with January, 1933, or why should they mention January specially?

Mr. WEIR (Melfort): It is a monthly bulletin; that would be the relative position during the month of January.

Mr. BEAUBIEN: So you can take January as a basis. You could take March or any month so far as that is concerned, but you compare a month of 1934 with the same month of 1933, I suppose. Taking the government's own bulletin, our position as exporter of cheese to Great Britain in January, 1934, compared to January, 1933, was fourth place.

Mr. WEIR (Melfort): In the winter months our production of cheese is much less, therefore we would stand in a lower position in regard to exports. In view of cheese being so much more of a summer product, the only fair

comparison is on the yearly basis. The point I was making is that the statement there that we were fourth in our exports to the United Kingdom for January is not contradictory in any way to the statement I made as to the yearly exports.

Mr. BEAUBIEN: Does the minister contend, then, that our exports of cheese in January were small because that is an off season? Does the minister contend that cheese is exported the month it is made? My understanding has been different.

Mr. WEIR (Melfort): A great deal of our cheese is exported when it is very green, to a much greater extent than was the case a number of years ago. We feel that this is one of the criticisms we have to make with regard to the cheese industry at the present time. If it were possible to hold the cheese longer and cure it more it perhaps would go on the old country market in better condition, but to-day cheese is exported to a very great extent when it is green, and the people who purchase it in the United Kingdom cure it there.

Mr. BEAUBIEN: How long after a cheese is made is it fit for the export market?

Mr. WEIR (Melfort): It depends on the export market, and the same applies to the domestic market. Some people will buy cheese when it is green and when other people might consider not cured at all. An average statement is unsatisfactory, but a great deal of our cheese is exported within one to three months after it is made, depending on the locality and on conditions in the locality.

Mr. BEAUBIEN: Then with regard to the month of January, the basis of production has nothing to do with the low export at all, if the cheese is exported when it is about three months old. Is that right?

Mr. WEIR (Melfort): One to three months.

Mr. BEAUBIEN: Has the Department of Agriculture any way of ascertaining whether the cheese is properly matured before it is exported? If we are going to keep on in the dairying industry, as I think we will have to because of the prices paid for cereals, has the department any way of inspecting this cheese in order to see that it is in proper condition before it leaves our shores, so that we may be able to hold the market we have to-day and perhaps, in time, regain part of the market we have lost? As the minister knows, dairying is a very hard industry to carry on; it entails a great deal of work and a man is really tied down to the farm.

Mr. WEIR (Melfort): With reference to the time of export my information is that much cheese is exported within one to three months after it is manufactured. There is another element that enters here and that would apply particularly in our winter months; Quebec and Ontario, and particularly eastern Ontario, which are the large cheese producing districts in Canada, rush off all the cheese possible before navigation in the St. Lawrence closes, because of freight rates.

All cheese for export is graded. As a result of criticisms received from the United Kingdom to the effect that some of our cheese arrived there not in the best possible condition because it was shipped too green, we have taken steps to stamp the date on the cheese itself. That action has been taken by regulation. We have no power, however, to interfere with the export of the cheese at any time beyond grading it and having it dated so that those who get it will know how long it has been since the cheese was manufactured.

Mr. BEAUBIEN: With reference to the statement made by the minister a few moments ago as to our position in regard to cheese exports I should like to refer to a paragraph in the commercial bulletin which states that during 1933 New Zealand reaffirmed its position on the export market, when she exported 8,743 tons of a total importation by Great Britain of 9,097 tons. Australia exported 217 tons, Ireland 91 tons, and Canada 46 tons.

Mr. WEIR (Melfort): What period are those figures for?

Mr. BEAUBIEN: According to the bulletin they are for the entire year of 1933. The paragraph states that New Zealand reaffirmed its position and in fact, as I interpret it, may gain on the export market. New Zealand and Australia certainly have trimmed us to a frazzle in the export of cheese. I am sorry the hon. member for Dufferin-Simcoe (Mr. Rowe) is not here; I remember that he and many other hon. gentlemen now sitting opposite shed crocodile tears because of what the King government did to the dairying industry. In fact I remember how the genial Minister of Railways stated, in and out of this house, how the King government was ruining the agricultural industry, how they were reducing the chances of the farmers to make a living on the land. I never saw such a sympathetic bunch in my life as they were during the session of 1930. They had a bureau in a building across Wellington street, with a staff of I do not know how many—

An hon. MEMBER: It worked fine.

Mr. BEAUBIEN: It certainly did, but it will not work again. To-day the standing of those people who tried to fool the farmers in those days—I am speaking politically—is not very high. The farmers know they were fooled; that is shown by the figures in these bulletins, and the minister cannot deny it. The farmers have been deceived by this government; they have been induced and in fact almost forced by circumstances to go into the dairying industry. The minister knows that when cereal prices are low and a farmer cannot get enough from the sale of cereals to buy the necessities of life he has to go into the dairying industry even if he only receives a small amount, because he needs ready cash. The minister knows that to-day no farmer can go to a bank and get a penny, and the minister also knows that a farmer must have some cows in order to get a few pennies together with which to buy tea and sugar, even with a two cent excise tax on sugar. There must be some reason for New Zealand and Australia taking the place of Canada in the export of cheese. If one compared the present price of butter with the price of cheese I think he would find that it would be more profitable to take milk to the cheese factory. Either we are not producing enough cheese, we are not producing the quality of cheese, or there is something wrong with our commercial intelligence or trade agencies in Great Britain. I think that these statistics and the information contained in the commercial bulletin of the government certainly need some explanation. I hope the minister will be able to justify the figures and will be able to give us good and sufficient reasons why we are occupying that position to-day. Especially should he do so in view of the fact that the minister must take the responsibility for the Conservative party in regard to the propaganda which during the last election campaign they spread throughout the country. They promised a higher price for butter, they promised a higher price for cheese, they promised the Mafeking cutoff,—they promised everything. These are the results of the promises made by this government and the candidates representing it in 1930.

Mr. WEIR (Melfort): With reference to the statements of the hon. member to the effect that this government misled the farmers, may I say that no one person can speak for every speech made throughout all parts of the country. So far as my own information goes, however, I say that the promise of this party was that we would endeavour, first of all, to give the Canadian market to Canadian farmers, and I maintain that we have carried out that promise. The effect of our action, translated into dollars and cents—a process which is more understandable to the farmer than would be a theoretical statement about markets—is this: The right hon. leader of the party, to which the hon. member who has just spoken gives his allegiance, has made the statement that if he were returned to power the duties would be placed where they were when he left office.

Mr. YOUNG: Hear, hear.

Mr. WEIR (Melfort): The hon. member says "hear, hear." In dollars and cents the right hon. gentleman's statement means only this: Had the policies advocated by him been in force in April, 1933, the export value of our butter at that date would have been 10·94 cents per pound. I have figures here for other months, but I do not wish to bore the committee with them.

Mr. BEAUBIEN: Is the figure given by the minister one which he suggests would have obtained had the present right hon. leader of the opposition been in power?

Mr. WEIR (Melfort): Yes, if our tariff had been put where the right hon. gentleman said he would put it, namely, at the same place it was when he and his party left office. Had that been in effect the value of butter in Montreal would have been 10·94 cents per pound, plus the import duty of one cent.

Mr. BEAUBIEN: This must be a dream the minister is having. Can he substantiate what he is saying or the figures he is giving?

Mr. WEIR (Melfort): Yes, my figures are absolutely correct. This is based on the export market in London. In the same week the premium on our butter, brought about by the action this government did take, and said during the election campaign it would take—not that the price of butter would be raised but that the market would be given to the Canadian farmer—was 18·06 cents per pound higher. That is, the premium over the export market was 18·06 cents per pound, which is an increase of more than 150 per cent over the price which the farmer would have got for his butter had he been selling it, at that particular time, under the arrangement promised by the right hon. gentleman opposite in the event of his being returned to power.

Some hon. MEMBERS: Oh, oh.

Mr. BEAUBIEN: That is a dream.

Mr. FAFARD: What would have been the price of butter had the C.C.F. been in power?

Mr. YOUNG: Would the minister tell us the duty?

Mr. WEIR Melfort): There is nothing which would give me greater pleasure than to answer all questions at once, but I think the discussion would be of greater value and of more interest to hon. members, and I would be in a better position to give information, if I were allowed to answer one question at a time. With the exception of the months of September and part of the month of October, in the year 1933, a premium existed over the export market during the months of January, February, March, April, May, June, July, August, November and December.

Mr. YOUNG: Will the minister tell us the duty on New Zealand butter?

Mr. WEIR (Melfort): I should like to answer the question asked by one hon. member before answering that of another.

Mr. BEAUBIEN: I will have a whole lot more to ask.

Mr. WEIR (Melfort): That is fine; we welcome the questions. The bulletin to which reference was made appears to contain the information that for the year 1933 Canada was in fourth place, so far as the importation of cheese into the United Kingdom was concerned. I have before me the monthly report of the United Kingdom showing the figures on imports of cheese. The report indicates that in 1933 Canada exported 70,528,080 pounds, New Zealand, 230,652,016 pounds and Australia—and I understood the hon. member to say that Australia had a greater export to the United Kingdom than had Canada—is given the figure of 10,357,000. I do not think there will be very much gained by discussing across the floor of the committee any comparison of statistics the hon. member has in front of him and those I have in front of me unless I am given a copy of his figures and have an opportunity to study them.

Mr. BEAUBIEN: I shall be very pleased to give the minister a copy when I am through with them.

Mr. WEIR (Melfort): In 1900 the total production of butter in Canada was 30,066,739 pounds; in 1932 the total production of creamery butter was 214,002,127 pounds. At the same time the production of cheese decreased from 220,833,269 pounds in 1900 to 120,524,243 pounds in 1932.

Mr. VENIOT: That is not so, according to the information the minister gave a little while ago.

Mr. VALLANCE: We have three sets of figures now.

Mr. WEIR (Melfort): One set gives exports, and the other production. In 1929 the production of cheese was 118,746,286 pounds; less than it was in 1932. In 1930, the production was 119,105,203 pounds.

Mr. BEAUBIEN: Mr. Chairman, I must say I have had dreams similar to the one the minister has been describing to the house when I have dreamed of a comparison between what the farmers would have received had the right hon. leader of the opposition been in power and what they have received since this government has had office. But I must give to the minister and to the committee my reasons for such dreams: I had been out the night before. Let us compare the price of butter between the years 1926 and 1930 with—

Mr. GOBEIL: Oh, oh.

Mr. BEAUBIEN: The hon. member for Compton laughs; why is he not fair? Why is not the minister fair in his comparisons?

Mr. GOBEIL: Compare with the world prices.

Mr. BEAUBIEN: The minister knows he cannot substantiate what he has just said as to prices the farmer would have received had the right hon. leader of the opposition been in power. He knows that better than anybody.

Mr. GOBEIL: London is where we sell our butter.

Mr. BEAUBIEN: Will you kindly keep quiet? You have said two or three words too many in this house for your own good. The less you say from now on the better for you.

Mr. GOBEIL: That is your point of view.

Mr. BEAUBIEN: The minister has not yet explained to me, and I should like his explanation before this item passes, why Australia and New Zealand occupy the position they do to-day, and not only that but have strengthened their position in the market of Great Britain while Canada has not done so. I will send a copy of this bulletin over to the minister so that he may see the figures for himself. If they are not correct, why are they published?

Mr. WEIR (Melfort): Might I ask the hon. member to read from the bulletin the Australian exports to the United Kingdom market for the year to which he refers.

Mr. BEAUBIEN: During 1933?

Some hon. MEMBERS: Read it.

Mr. BEAUBIEN: I am going to read it, but it is in French, and I will translate it as I go along, and the translation will be just as good as the translating that will be done under the Secretary of State's new bureau.

Mr. QUINN: Read it in Irish. To-morrow is St. Patrick's day.

Mr. POWER: He would sure be right then.

Mr. BEAUBIEN: Here are the exact words:

During 1933 New Zealand reaffirmed its position on the markets when its exportation amounted to 8,743 tons.

Mr. WEIR (Melfort): To the United Kingdom market?

Mr. BEAUBIEN: Yes. It goes on:

Out of a total importation of 9,098 tons Australia contributed 217 tons, Canada 46 tons and the Irish Free State 91 tons.

Mr. WEIR (Melfort): Forty-six tons for Canada?

Mr. BEAUBIEN: Yes.

Mr. WEIR (Melfort): And Australia two hundred odd?

Mr. BEAUBIEN: That is what it says. I will read it again:

During 1933—

Mr. WEIR (Melfort): Is that for the entire year?

Mr. BEAUBIEN: It says, "During 1933." That must mean the whole year:

During 1933 New Zealand reaffirmed its position on the markets when its exportation amounted to 8,743 tons. Out of a total importation of 9,098 tons, Australia contributed 217 tons, Canada 46 tons and the Irish Free State 91 tons.

Mr. VENIOT: Even the Irish beat us.

Mr. WEIR (Melfort): That is for one year?

Mr. VENIOT: He has given you what it says.

Mr. WEIR (Melfort): The hon. member at the outset said something about having dreams, and that what I said was not based on fact. What I stated was based first of all on the statement of the right hon. leader of the opposition that if he was returned to power the duty would be lowered or placed where it was when he went out of power. But we do not need to go back. At the present time the price of butter in Montreal is 29½ to 30 cents a pound wholesale. The price of the finest Australian butter in London is 15·7 cents per pound. Now if the duty imposed against importations of butter into this country was one cent a pound, which was the duty at the time the present opposition went out of power, Australia could pay that cent a pound duty and deliver their butter here at 16·7 cents a pound, which would mean a difference from the present price of 12 or 13 cents a pound.

Mr. BEAUBIEN: May I ask the minister a question right at that point? In view of the figures given by the hon. member for Drummond-Arthabaska (Mr. Girouard) a little while ago of the importations of butter from Australia and New Zealand, will the minister tell the committee how much more the Canadian farmer would be receiving for his butter to-day if this government had prevented the importation of that Australian and New Zealand butter? It is just as logical for me to ask that question as for the minister to make the comparison he does.

Mr. WEIR (Melfort): The butter imported into Canada during each of the past two years, as I read earlier, was less than one million pounds.

Mr. VALLANCE: But suppose it had not been imported, what would have been the difference in the price?

Mr. WEIR (Melfort): If it had not been imported the price certainly would not have been lower. Therefore the figures that I quote are at least safe figures. If that butter had not come in we might naturally expect that there might have been some increase in price, but the amount imported was only two-days' supply of butter for the whole dominion. This butter has been let in up to the quantity that I have stated, and in spite of that our butter is at the price it is, but if it were not for the present duty butter would be coming into this country to-day on the same basis as it enters the United Kingdom at the price stated, plus the duty.

Mr. BEAUBIEN: In other words, that means that the importations of butter under the Liberal regime decreased the price of butter to the Canadian farmer, while importations of butter under the Conservative regime increased the price of butter to the Canadian farmer. That is the only conclusion one can draw.

Mr. HANSON (York-Sunbury): You let in 35,000,000 pounds under the Liberal government, at a cent a pound duty.

Mr. BEAUBIEN: The reason why we imported butter from 1926 to 1930, and no one knows it better than my hon. friend is that we wanted our people to have butter on their bread—that and no other reason.

Mr. HANSON (York-Sunbury): You let it come in here because you had no weapon to keep it out. Everybody knows that, and that is why the farmers voted against it.

Mr. BEAUBIEN: Nobody knows better than my hon. friend that any time cereals reach the prices prevailing from 1926 to 1930 the farmers are not going to produce dairy products unless they are crazy.

Mr. HANSON (York-Sunbury): Speak for your farmers.

Mr. BEAUBIEN: I am speaking for our farmers. You have no farmers in your part of the country.

Mr. HANSON (York-Sunbury): I have better farmers than you ever dared to be.

Mr. BEAUBIEN: The minister knows well that when the farmer can get 60 and 65 cents for his barley, 50 and 60 cents for oats, and $1.25 for wheat, he is not going to milk cows unless he has to. If you compare the prices received for butter in 1926 with those received in 1930 you will find that they were higher then than under this regime.

Mr. VENIOT: Ten cents a pound.

Mr. BEAUBIEN: And that in spite of no duty. The minister seeks to interject a political side to this issue when I am quite serious in my efforts to help the farmers. He stated that if the Right Honourable W. L. Mackenzie King had been Prime Minister such and such a thing would have happened while such and such a thing has happened because he and his colleagues are in power. I think he is going beyond the facts and is giving us just a little dream of his own. The minister has not answered my question as to why Australia increased her importations of cheese into the British market while Canada's imports continued to go down. I should like to know why this has happened in the face of the promises made and the glowing pictures painted during the last elections. I want to get this point clear as it is something the farmers want to know.

Mr. WEIR (Melfort): With reference to the matter of political interjection and the hon. member being so serious for the welfare of the farmer, the committee might note that he started his own statement with the words "speaking from a political standpoint."

Mr. BEAUBIEN: That was an answer I gave to some back-bencher who interrupted me.

Mr. QUINN: What are you, a front bencher?

Mr. WEIR (Melfort): The hon. member quoted from the Commercial Intelligence Journal and sought to show that Canada had taken fourth place in the exports of cheese to the United Kingdom. I shall read from this bulletin for the information of the committee.

Mr. BEAUBIEN: Is that the French copy?

Mr. WEIR (Melfort): No.

Mr. BEAUBIEN: I was reading from the French copy.

Mr. WEIR (Melfort): The statement which the hon. member read is headed "butter" not "cheese." This reads:

> New Zealand imports of butter into Avonmouth have again moved upward. In 1932 they amounted to 5,908 tons out of a total import of 6,200 tons, and those from Australia amounted to 226 tons compared with 29 tons from Canadian ports.

Mr. VALLANCE: The hon. minister will notice the portion marked from which the hon. member quoted.

Mr. WEIR (Melfort): I was starting at the beginning.

Mr. VALLANCE: Do not mix it up with the cheese.

Mr. QUINN: They do not mix.

Mr. WEIR (Melfort): It is all under the same heading of "butter." It continues:

> During 1933 New Zealand strengthened her hold on the market by increasing to 8,743 tons out of a total import of 9,098 tons, Australia contributing 217 tons, Canada 46 tons, and the Irish Free State 91 tons. Danish and Russian butter is sold in quantity but supplies are not imported direct.

Mr. VALLANCE. Would the minister mind sending that over.

Mr. POULIOT: If the minister mixes butter and cheese it will be a new mixture.

Mr. WEIR (Melfort): I was not mixing them.

Mr. COOTE: There is a good reason why New Zealand and Australia have captured a large share of the market in Great Britain. For the last three years the British pound has been worth a considerable premium in Australia and New Zealand. About a year and a half ago the British pound was worth fifty per cent more to the Australian exporter in his own currency than it was to the Canadian. This is the real reason why Australia and New Zealand have taken the butter and cheese market from the Canadian producer.

Mr. VALLANCE: This all goes to prove that we should have a new translation system. The minister gave me the exports of cheese to Great Britain in 1933, and I should like to have them for 1932.

Mr. WEIR (Melfort): The exports of cheese for the year ended March 31, 1933, amounted to 85,711,600 pounds; for 1932, 85,424,700 pounds, which is less and for 1931, 79,590,400 pounds, still less.

Mr. VALLANCE: Following up the remarks of the hon. member for Macleod (Mr. Coote), the other night when the Minister of Trade and Commerce (Mr. Stevens) was trying to get some estimates through it was pointed out that we were not holding the trade in wheat and cereals between Great Britain and Canada. I think the whole thing resolves itself into the difference in exchange. Because of the sound money policy of this government we now find ourselves in this position. The minister compared the position of the farmers of Canada between 1926 and 1930 with their position in later years and tried to make out that that position had been improved. He knows just as well as I that that argument cannot stand and will not be accepted by the farmers.

Mr. WEIR (Melfort): I was answering a statement made by the hon. member for Provencher (Mr. Beaubien).

Mr. VALLANCE: The farmer of western Canada and of eastern Canada as well has never been in the plight in which he finds himself to-day. I do not wish to go over the promises made by the Prime Minister (Mr. Bennett) and members of his party during the throes of the last general elections, but in February, 1932, the price of wheat was the lowest it had been in four hundred years. In the face of this fact we have the minister standing up and trying to convince this committee that to-day the farmer is in a more enviable position in connection with butter production than he was from 1926 to 1930.

Mr. WEIR (Melfort): I did not state that.

Mr. HANSON (York-Sunbury): Sour grapes; you do not want to see the price of butter go up.

Progress reported.

At six o'clock the house took recess.

[Mr. Coote.]

After Recess

The house resumed at eight o'clock.

CRIMINAL CODE AMENDMENT

RACE MEETINGS OF FOURTEEN CONSECUTIVE DAYS INSTEAD OF TWO SEVEN DAY PERIODS

Hon. RAYMOND D. MORAND (East Essex) moved the second reading of Bill No. 35, to amend the criminal code (race meetings).

Mr. BROWN: Explain.

Mr. MORAND: The purpose of the bill is simply to remove the present twenty day period that intervenes between two race meetings of seven days each: it has nothing to do with the principle of racing or with increasing the number of days of racing. Under the criminal code as it stands, a period of twenty days must elapse between one race meeting of seven days and the next meeting of seven days. With conditions as they are now, particularly in our city, in view of the fact that the state of Michigan now has racing one hundred and twenty days in the year, it is difficult for those having investments in race tracks in our city to find ways and means of holding two meetings of seven days each, whereas it would be easier to have a meeting of fourteen consecutive days.

Mr. BROWN: This does not increase the total number of days?

Mr. MORAND: No, nor the total number of races.

Hon. HUGH GUTHRIE (Minister of Justice): I have no objection to the bill being read the second time, but I would ask that it do not go into committee until we have had an opportunity of communicating with the various provincial governments on the subject. They are entitled to a certain amount of taxation on the pari mutuel system, and I should like to ascertain whether they have any objection to the proposed change.

Motion agreed to and bill read the second time.

SUPPLY

DEPARTMENT OF AGRICULTURE

The house in committee of supply, Mr. Morand in the chair.

Dairying, $234,000.

Mr. MOTHERWELL: Before the house rose at six o'clock we had discussed this item for about an hour, and it was also under consideration on another occasion. I do not wish

to prolong the debate to any extent, but there are a number of things that might be discussed here, particularly some of the statements made this afternoon. Those of us who were here in 1925 will recall that butter became a political issue after the enactment of the Australian treaty in 1925—I think it was then. From that day to this it has been more or less a political issue.

Now, while I do not think that we should spend too much time going over ancient history, nevertheless, in order to make the record right, I wish to make a few references to that occasion. The price of butter in 1925 was high, running between 35 and 40 cents per pound wholesale, basis No. 1 pasteurized in the city of Montreal on January 1. At the election of 1925 and also at the election of 1926 it was attempted by the then leader of the Conservative party, now leader of the Senate, to make more or less of a political issue of this subject; but butter being so high, it was difficult to do that and it did not cut very much ice, if at all, in either election. In 1930, however, the same treaty was still in vogue, although there was in it one anticipated change introduced by the Hon. Mr. Dunning in his last budget on May day 1930, in which he intimated to the house that he had given notice to the Australian government, and I believe to the government of New Zealand as well, that after October the duty on butter from the antipodes would revert to 4 cents—what it had been for the previous quarter of a century. I would point out that it was really 4 cents, and had the Liberals come into power it would have been 4 cents. The minister's calculation is wrong when it is suggested that it would have been only one cent had the Liberals come into power again in 1930.

We come now to the present day, and before going any further I would direct the attention of the house to the fact that while the Australian treaty was the occasion of a political issue, for four successive years after the enactment of that treaty, butter averaged 40 cents per pound in Montreal on January 1, basis No. 1 pasteurized. It can readily be appreciated therefore that in view of that high price not much of an issue could be made of butter, notwithstanding the fact that the duty had been reduced to one cent a pound; and one of the reasons why we reduced it to one cent per pound was simply that this was in accordance with the general policy of making treaties with any empire or other government on the basis of lower and not of higher tariffs. That might have been a political mistake but it was not an economic mistake; it was not a mistake so far as the interests of the consumers were concerned, and when the high price to the producers was what it was then. Why, farmers would think they were in clover to-day if butter in Montreal were 40 cents a pound. Last fall it was less than half that amount. During 1929 and particularly during 1930, butter, naturally with other commodities, went down and it was then that the terrific onslaught was made on the Australian treaty, with appreciable results, in the province of Quebec at all events. Probably most of the seats lost to the Liberal party in that province were attributed to the Australian treaty; the treaty was blamed for it. There are a number of other reasons I will not discuss; it is past history. The question is, what are we to do now? What are the causes of present butter prices?

Last fall, I remember, some of us were in Mackenzie riding doing some big game hunting, and butter fat in the month of October was exactly 14 cents per pound, just half what it is to-day. I have word from my home to-day that the last can of cream we sold fetched 28 cents, on the basis of butter fat for table cream, twice what it was last October. You cannot credit that to the by-election in Mackenzie; there are a number of causes to which it can be attributed. One cause however is that butter is scarcer now, and no doubt scarcer all over the world. I do not know what stocks there are throughout the world or in cold storage here, but this condition cannot be attributed either to the by-election in Mackenzie or to the Ottawa pacts because that was a year and a half ago, and the downward tendency persisted after that. It cannot be attributed to the present duty on Australian butter because that was on last fall also. We shall have therefore to leave it to the minister to explain why the price was only 14 cents last fall whereas to-day it is exactly twice as much. It is difficult to find reasons for this, because we can argue about anything from statistics. You know what is said about statistics—of course I will not repeat it here, but there is more or less truth in it. We are statistically cured now. We are getting such a dose of them we may be spoiled if we get overdosed.

But I am concerned about another matter. I find that according to a bulletin I have here, issued jointly by the Department of Agriculture and the Department of Trade and Commerce, there is some danger of our being asked to restrict still further our exports to the old country. The hon. member for

Provencher (Mr. Beaubien) referred this afternoon to the reduction in exports of cheese. The reports indicate that almost every month these export British quotas are going on for various Canadian commodities; first on wheat, then on cattle, oats and eggs, and now we are told there is going to be a quota on dairy products from the antipodes, and very likely we may be asked to apply it to dairy products from Canada. Before going any further I would like the minister to give us some assurance regarding quotas on our dairy products. These gentleman's agreements with the motherland are very nice, but there is an Empire bargain, and while there was not much in it at any time for us in the matter of dairy products there will be still less if a quota is put on our cheese, still further restricting our exports. I would like to know what the situation is, if there is anything pending as far as the minister knows as to a quota being put on dairy products from Canada, or from the antipodes either, by Great Britain.

Mr. WEIR (Melfort): Answering the last question first, as far as my information goes there is nothing to lead us to believe at present that a quota would be put on against our dairy products. I believe that matter has been under discussion between the Australian and the New Zealand and the United Kingdom officials.

Going back to the statement made by the hon. member for South Battleford (Mr. Vallance) before the committee rose, I do not think anyone could justly give the interpretation he did to anything I said as to the comparative condition of farmers in Canada in 1929 or 1930 and the present time.

Mr. YOUNG: There is no comparison.

Mr. WEIR (Melfort): I realize that the condition of agriculture in Canada is not what we would like in many respects. The condition of farmers in practically all countries has become very much worse since the beginning of what is called the great depression. The only comparison that could fairly be made would be between normal conditions in various countries and the conditions as they exist at the present time.

With reference to the price of butter fat being 14 cents a pound in the fall and 28 cents at the present time, when butter fat was at 14 cents we had accumulated in Canada a stock of butter greater than was required for our own consumption. The butter in storage in September was about 42,000,000 pounds, which I believe proved a surprise to most of the trade, and when they realized, upon the report coming out, that storage stocks had reached that amount they became alarmed, seeing that the price they had been paying averaged some four cents per pound more than would have been warranted had they realized that we were going on an export basis. That forced them to export some butter, and therefore the price fell to that of the export market. At that time we called a conference and were able to have some of the different holders of butter—and some who were not holders, as they felt it would be healthy for the trade—export some butter from Canada even at a loss. Therefore the reason for the price of butter being what it was then was that we were forced on the world market. At the present time we are very near a balance of production and consumption. That is why the market is what it is at present.

Mr. MOTHERWELL: I think that explanation is quite logical. Canada was aiming not to be obliged to export any butter, just to meet our own requirements, so that we might artificially, by means of a tariff get more than the export price. Whether that is an attainable and ambitious object I leave to the committee to decide. Since then some export has taken place, relieving the pressure on the market, and prices have responded.

My hon. friend indicated that he did not think there was any danger of a quota being imposed on our butter, although there had been some discussion with regard to the antipodes. That is all the information that I have as to the antipodes. But we have here a bulletin called "The Agricultural Situation," and, a significant thing, it is put out by two ministers, so it ought to be doubly right. There are not going to be any mistakes about this bulletin; two ministers will stand behind its accuracy. It states that it is—

> Published by authority of the Hon. R. Weir, Minister of Agriculture, and the Hon. H. H. Stevens, Minister of Trade and Commerce.

I wonder if this is significant in connection with what we hear every day, that these two departments are going to merge, with the Department of Trade and Commerce on the outside. The minister perhaps can give me some particulars about that also. Anyway this is a nicely gotten up bulletin. Here is what it says about the dairy products quota question, on page 28:

> The large and increasing volume of butter and cheese imported into the United Kingdom has caused the British government to enter into discussions with New Zealand and

Australia with a view to the voluntary restriction of exports of these products to the United Kingdom. If any such agreements are concluded between the United Kingdom and New Zealand and Australia, Canada may be asked to take similar action;

That brings up the whole question of how far Canada is to go to meet Great Britain in the matter of these quotas, and how long it is going to take for us to be squeezed out of the British market with a lot of our farm commodities. That is what we are heading for, as far as I can see. On the next page it says:

The possibility of restrictions on imports of dairy products into the United Kingdom would suggest that it would be advisable for Canadian producers to develop home consumption as much as possible.

I hope that advice will not be given to us in regard to wheat, that we will have to eat all we produce, because that is more than we can do, and feel comfortable. But our butter quality has improved and has been improving for years. Our consumption per capita I think is the highest in the world, and the home market in Canada is a great factor, because even this year we have been coming pretty close to eating all we produce. But if that is to be our aim in all farm products we will be known as a tail-end country, just dragging along. Canada has been known as a great agricultural country, better known for that than possibly anything else; are we to aim to supply only our own requirements in such products as butter, bacon and eggs and other such farm products.

Reverting to this bulletin, I am afraid there is more in this merger proposition than may appear. I can recall that at one time copyrights and patents which now come under the Trade and Commerce, were under the Department of Agriculture. Grain never was under the Department of Agriculture; in the last century it was under the Department of Inland Revenue, among the tobaccos and whiskies, and from there is was transferred to the Department of Trade and Commerce. In the past these various services have been in the habit of gravitating from agriculture to trade and commerce to help make that a better and more important department, and I am afraid if the minister is not on his guard they will be swiping something more from agriculture when he is not looking. He had a very excellent official representing the Department of Agriculture in London when this government came into power, but it was not long before the Minister of Trade and Commerce had that most capable gentleman in his own department, bag, boots and body, and I know he got hold of a good man.

Now we have this joint bulletin which I hold in my hand. Is this another step in the direction of absorption of Agriculture by Trade and Commerce? I want to tell the minister that if anything like that is going on he can depend upon at least one individual to back him up in resisting it; I will do all I can in that way. As a matter of fact, if there is to be any swiping or changing it should be in the direction of having agriculture all under one minister, and logically that should be the Minister of Agriculture. I know of no country in the world that has agriculture under two ministers; it only results in more confusion and more mistakes, and I question if either department will be any better off by this sort of interlocking of departments. It is all right to have a companionate marriage which can be dissolved as quickly as possible after disillusionment, but I should not like this merger proposal to go any further. The farmers do not want to be running after two ministers. In connection with the proposed marketing act the general report on the street is that it will be under the Department of Trade and Commerce. Our farmers want to go to the Minister of Agriculture when they want anything; they do not want to be trotting after two ministers, and I repeat the logical, proper and sympathetic place for them to go is to the Minister of Agriculture. I think perhaps if the minister would give us some assurance on that point we would not need to talk any more about this matter. A word from him would be sufficient, and I hope he does not mind the candour with which I have discussed the question. Those are the facts, and we have the evidence here in this merger bulletin.

Mr. WEIR (Melfort): In the first place my information is that the per capita consumption of butter in Canada is 30½ pounds, while in New Zealand and Australia it is 35 pounds. If our consumption were to increase to that extent we would wipe out the exports of all dairy products.

With reference to the bulletin, it is the outcome to a large extent of a series of conferences between the various provincial departments of agriculture, those connected with agricultural colleges and with provincial and federal institutions, which culminated in a conference in Toronto in 1932 at which it was agreed that by getting together and discussing the problems of agriculture and the possible means of solving those difficulties a good deal of duplication and wastage would be eliminated. It was felt that in publications alone there was a great deal of wastage and duplica-

tion, and sometimes disagreement, so it was decided to set up a committee representative of these organizations interested in agriculture. The committee named was composed of one member from the federal department, Doctor Booth; Doctor Grindley of the Department of Trade and Commerce, and Professor Lattimer of Macdonald College. Their first publication, I believe, was the Agricultural Situation, which I think hon. gentlemen interested in agriculture will agree was a commendable contribution for a beginning, and which served the purpose of assembling the combined thought of the various interested organizations. This bulletin is sponsored by that committee. I do not think I should be asked to make any prophecy as to what will take place in the future; I do not think I could do so.

Mr. MOTHERWELL: It is quite apparent that the minister is not greatly enamoured of this proposed absorption at all events; I am glad he is not, and I need not discuss it further.

Now I wonder if I dare refer to a matter which has been rather controversial on this side of the house, as well as on the ministerial side. It seems to me that dairying is too closely associated with the national life and national health of Canada to be discriminated against as is the case at present. I am referring to the grant which formerly was made to the National Dairy Council. Two or three members on this side of the house took some objection to the activities of the council prior to the last election; I always said that even if they were indiscreet they were not half as much so as the gentlemen who composed the horticultural council. I do not think either organization should be tied down in connection with public questions; that is my own personal view. That is the ground I have taken, though possibly other hon. gentlemen will differ with me on that point. I do not think they will differ, however, as to the principle that either these grants should remain in all these branches of agriculture or they should be eliminated from all branches. I think that is a fair proposition. I am not suggesting that they should be eliminated in any branch, but I realize how much dairying means not only to the east but also to the west where it is becoming more important all the time, and it does seem too bad that this one branch of agriculture, founded on that old standby the dairy cow, which never fails no matter how much prices may vary, should be discriminated against. The old cow keeps on freshening and producing her milk from which come the many dairy products into which milk is processed. They go on year after year, no matter what happens; they never fail. Yet there is no government grant for her. When I turn to the estimates of two or three years ago I find a grant of $5,000 for the National Dairy Council. I was not responsible for it; I do not feel sensitive about that grant disappearing because I did not initiate it. It was done before my time, though it is true that on my recommendation the grant was increased. Does not the hon. gentleman think that the National Dairy Council, which is composed of excellent men, has been disciplined enough and without cause through the elimination of the grant for two years? Does he not think the grant should be restored so that all these organizations will be on a parity? Is that not a fair proposal? I am sure the minister would feel inclined that way. I do not think there would be much fuss over here if that were done, and even if there were the minister only has to look at the noses he can count over there in his rear guard. You can do what you like in any case, but if this grant is restored I shall not be tempted to make an issue of the matter in the next election. There are enough public issues without bothering with this matter important as it is. I should like to see this discrimination remedied if possible.

Mr. WEIR (Melfort): The position with reference to the grant to the National Dairy Council is this: They stated specifically that they did not desire a grant, and after due consideration they felt that they would like to be free and not subject to the criticism which had been made in the past that their policy was in any way coloured by the acceptance of a grant. They stated they would rather not have it.

Mr. MOTHERWELL: Would that apply to the other two organizations.

Mr. WEIR (Melfort): They have not yet notified us that they do not want it.

Mr. MOTHERWELL: I am afraid these gentlemen made this statement after their heads were chopped off, and they made a virtue of necessity by making the best of it that they could. I shall draw the attention of the minister to one or two facts concerning that useful body of live stock men known as the livestock pool, just nicely started to export cattle to the old country. They were struck twice, once by adverse exchange and the other time when the minister withdrew the federal grants from them. Between the two misfortunes, they were just about doubled up and put out of business. I am afraid that this body, the National Dairy Council, like everybody in these times, whether it be con-

nected with church or state, have found great difficulty in financing, and I am afraid that the same fate will befall the National Dairy Council that befell the live stock marketing association. It is not the loss of the $5,000 alone that would do it, Mr. Chairman. It is tantamount to saying that the government's countenance, as well as its cash, is withheld from the dairy council and the dairy industry, and that the prestige of the organization has been impaired. This is the body, more than any other body, which is responsible for abolishing both the manufacturing of and the importation into Canada of oleomargarine. I think my hon. friend would not require to press a grant upon them, because the old dynasty has gone—the old president has resigned, and the old secretary has gone hence. I think the minister would find no difficulty in putting them on a parity with the other two organizations.

Mr. WEIR (Melfort): In the first place, I did not understand the hon. member to refer to the Canadian Live Stock Cooperative Association. They did get into some difficulties through a misunderstanding they had with the cooperative in the United Kingdom—although they felt that they had been misunderstood—and with the drop in exchange—they were placed in a very embarrassing position.

Mr. MOTHERWELL: That is right.

Mr. WEIR (Melfort): Their new president came to see me in connection with the matter, and although there was no commitment whatever on our part, and although it was aside from any grant which had been made to them, it was felt not only because of the excellent work that they had done but of the possibility of work which they might continue to do, we could give them a special grant from a special vote, sufficient—and this was their request as a matter of fact—to let them out of their difficulty. I think the amount was about $10,000. That was their request, and we gave them that amount.

Mr. MOTHERWELL: That would be only doing the same for them as the Minister of Finance did for the cattle shippers last year. For about forty days he was good enough to pay the exchange on thirteen commodities, one of which was cattle. I say that was a proper procedure towards the live stock pool, and I appreciate it. In that regard they were being treated the same before the stabilization fund came down as others were treated afterwards.

Mr. VALLANCE: In dealing with the Canadian quota into the British market, the hon. member for Melfort suggested a question to my mind which I should like to direct to the minister. I should like him to correct me if I am wrong. Is the importation of Canadian cattle into the British market the same for the first three months of this year as it was last year?

Mr. WEIR (Melfort): It is more this year.

Mr. VALLANCE: That is, it is extended now to six months, do I understand?

Mr. WEIR (Melfort): Yes.

Mr. VALLANCE: Has the minister any reason to give us as to why the British government has seen fit to take this action?

Mr. WEIR (Melfort): The action was taken because of a number of circumstances. In the first place, when it was forecast that a very severe embargo was to be imposed against Irish cattle going into the United Kingdom, old country buyers before the imposition of this regulation bought all the cattle from Ireland, that they had money to buy with, or that they could borrow with which to buy, I believe. The result was that they had more cattle on hand than they had feed with which to properly look after them. Some of those cattle in the spring of 1933 were being forced on the market in a more or less unfinished condition and in quantities which had a depressing effect upon the market. Then, to accentuate that condition, in July and August of last year, a drought which had been unprecedented for years in the old land reduced pasturage to the point where they were forced to put on the market still more cattle than those people who were in the best position to forecast had thought possible. These cattle, too, were not finished as well as they should have been. Because of this drought, the root crop in the old country was very much below normal. Those hon. members who are acquainted with methods of feeding obtaining in the old country will understand that the basic food is supplied by the root crop. Especially is that so, I believe, in Scotland. This shortage continued the process of forcing cattle on the market in an unfinished condition, and in greater quantities. The Minister of Agriculture and Fisheries in the old land, hoping to improve the price of cattle, followed the same line he had followed with reference to bacon, and placed an embargo of fifty per cent against the importation of Irish cattle. That is, they could export to the United Kingdom only fifty per cent of the cattle they had exported during the same period ir

previous years. The Irish Free State, not to be outdone, and to show that they did not have to do what the United Kingdom said they should do, decided they would take matters in their own hands and would not export as many cattle, even, as Great Britain had stipulated they would be allowed. That is the rather incongruous position now obtaining. At the same time the Minister of Agriculture and Fisheries asked that we cooperate with them to hold off the market as many cattle as possible to see if the price would not go up. At first they asked that for three months we would not ship any more. They did not ask for a cut in our shipments, but simply that we would not ship any more in the first three months of 1934 than we had in the first three of 1933. That was felt to be not entirely satisfactory, because our first shipment in 1933 did not begin, to any extent, until late in January, and after negotiations had taken place the period was extended to six months. We feel that there is a probability—and I would not like to put it any stronger than that—that with any improvement of conditions, before the expiration of six months, if we can show it will be a hardship on us, there may be a further extension.

Mr. VALLANCE: Following up the reasons given by the minister, may I offer some others which were produced on the floor of the British House of Commons. I find that the Marquess of Titchfield asked the Minister of Agriculture and Fisheries whether, having regard to the fact that imports of cattle from Canada since January 1 had been greater than in the corresponding period of last year and to the stabilization arrangement announced by him on December 20 last, he had any statement to make on the subject. The reply of Mr. Elliott was as follows:

> His Majesty's government in Canada have not found it possible to regulate imports on the basis of one-quarter only. They have, however, agreed that the period of stabilization should be extended to the first six months of this year. Under the revised arrangement, total arrivals of Canadian cattle during the months January to June, 1934, will be limited to the aggregate figure for the corresponding period of 1933.

So it appears that we are not going to be permitted to ship any more cattle from the first of January, 1934, to the end of June, 1934, than we did during the corresponding period in 1933. But the quota in 1933 was applicable only to the first three months. I should like to ask the minister this question: Does this new order of the Minister of Agriculture and Fisheries in the British House of Commons apply also to oats and eggs?

[Mr. R. Weir.]

Mr. WEIR (Melfort): My understanding is that it does not apply to eggs. I am not in a position to say whether or not it applies to oats. My own impression is that it is not really effective so far as shutting out any of our oats at the present time is concerned, that there has been no hardship and no restriction has been necessary on the export of our oats. I thought I covered the point when I was on my feet before with reference to this being a hard and fast agreement for the first six months. We feel that if we can show cause, consideration will be given, just as they showed consideration in the extension of the first three months, because they do appreciate that we have tried in every way to cooperate with them. The number will be in the neighbourhood of 20,000 cattle on the basis of 1933. It was thought some two or three weeks ago, with the improvement of the situation in the old country, that there would be no necessity for restriction at all, but since then due to the conditions I have outlined the price has been depressed still further and things have not improved the way they had hoped.

Mr. VALLANCE: What is the machinery, if any, that the department uses to see that that quota is offered, and what is done with the number of head above the quota that can be exported?

Mr. WEIR (Melfort): There have been no steps taken so far to restrict the shipment of cattle from this country. If it is found necessary to make restrictions provision will be made to give the government sufficient authority, I understand.

Mr. BEAUBIEN: Before six o'clock when I was questioning the minister I inadvertently made an error. I was reading from a publication of the government, the Bulletin des Renseignements Commerciaux, and quoting from an article headed "Les Importations de fromage et de beurre de l'ouest de l'Angleterre en 1933. D. S. Cole, Commissaire du Commerce." The article is in French and I translated it into English. I will now read it in French:

> Au cours de 1933, la Nouvelle-Zélande a raffermi sa position sur le marché en portant ses envois à 8,743 tonnes sur une importation totale de 9,098, et l'Australie en a contribué 217, le Canada 46, et l'Etat Libre d'Irlande 91.

I will now translate the heading into English:

> Provision Trade of the West of England in 1933
>
> D. S. Cole, Canadian Trade Commissioner
>
> Cheese

When I was translating the paragraph into English in the house I did not notice the word "butter" in small print. I made this error inadvertently, and I apologize to the minister and to hon. gentlemen. I hope that this explanation will prevent any wrong impression which might otherwise have been created. But after making this explanation I still maintain, Mr. Chairman, that Canada in its export of cheese to Great Britain occupies fourth position only, and in substantiation of my statement I refer to the bulletin issued by the statistics branch on March 9, which distinctly states that Canada occupies the fourth position in its export of cheese. I trust that the minister will accept in good grace this explanation which I am making to remove any impression that may have been created that I was trying to give a false statement to the house.

Mr. WEIR (Melfort): With reference to the statement of the bulletin that we occupy fourth place, I think hon. members will feel that that is not a fair statement considering the conditions under which the cheese industry in this country operates and the desire to get all manufactured cheese out of the country if possible before navigation closes. January is not therefore a fair month to take for comparison. So far as the hon. gentleman's statement with reference to the mistake he made before six o'clock is concerned, I do not think anyone listening to the discussion and appreciating the seriousness with which the hon. member was making his quotations had any idea whatever that he was trying to misrepresent anything, and everyone will gladly admit and realize that it was a mistake that anyone might have made.

Mr. VENIOT: Can the minister tell us how much Canadian butter is in storage in Canada at the present time?

Mr. WEIR (Melfort): On March 1, 1934, Canadian storage stocks of creamery butter amounted to 7,056,695 pounds.

Mr. VENIOT: Has the minister any record of a shipment of New Zealand butter landing in Halifax since the first of March or a week or ten days previous to that?

Mr. WEIR (Melfort): A number of shipments have arrived. Referring to a direct shipment from New Zealand I quote a telegram from Halifax, Nova Scotia, dated March 16, and addressed to Mr. J. F. Singleton, dairy and cold storage branch, Ottawa:

> Yesterday's price current make only. To-day's price the same. Canadian Scottish discharging Monday, Canadian Victor tomorrow.

That is a shipment direct from New Zealand.

Mr. VENIOT: An item has appeared in the press that 12,000 boxes of New Zealand butter were landed at Halifax and that the shipment was held up for a number of days, after which 5,000 boxes were released. Can the minister tell us whether that is so or not?

Mr. WEIR (Melfort): This, of course, comes under the Department of National Revenue. A number of shipments of butter did arrive in Halifax. There was some doubt whether a certain shipment was from New Zealand to Halifax via the United Kingdom and not directly from the United Kingdom. If the shipment came from New Zealand billed to Halifax, routed through the United Kingdom, it would come under the New Zealand treaty, under clause 4 of which the shipment may be held in bond for thirty days. That is why that shipment was at first held until an investigation could be made. In the meantime the Department of National Revenue got in touch with the various importers and very satisfactory arrangements have been made by which this butter will be released in quantities which it is felt cannot unduly depress the price of butter. We have given a good deal of study to the butter situation in the maritimes as a result of these shipments, and the latest information we have from the dairy commissioner in Nova Scotia is to the effect that at first he thought it was the increased production in Prince Edward Island that was coming into Nova Scotia, but the latest information is that none of this butter so far has been released for sale in Nova Scotia. The situation is rather delicate.

Mr. VENIOT: Where is it released for sale?

Mr. WEIR (Melfort): Montreal, Toronto and various points in the east. At the present time the storage stocks of butter are perhaps the closest to consumption needs that they have been for many years.

Mr. VENIOT: 7,000,000 pounds.

Mr. WEIR (Melfort): That is just a little over a week's supply. That 7,000,000 pounds is in storage in different parts of Canada. As I say, a delicate situation exists at different points in the dominion in the obtaining of

supplies as soon as required. An effort is being made to embarrass no person and to keep prices at the present level. It is felt that during the winter months butter cannot be produced, even by the most efficient farmers, at any lower price.

Mr. VENIOT: I take it that special protection was given to the producers of butter in Nova Scotia because none of this butter was released for sale in that province. Why give special protection to Nova Scotia and not to New Brunswick?

Mr. STEWART (Edmonton): You need a lot of butter.

Mr. VENIOT: It is quite true that a lot of hon. gentlemen slid in on butter in 1930 but they may slide out on the same article in 1934 or 1935. I cannot understand why butter from New Zealand should be released for sale in Montreal where the consumer obtains a benefit not available to the consumer in Nova Scotia or New Brunswick. It would appear that the present demand for butter is greater than the supply and, therefore, New Zealand butter is being released. This same situation existed in 1930 when Canada produced 280,000,000 pounds as against a demand for 310,000,000 pounds. The importation of 30,000,000 pounds or thereabouts was permitted in order to meet the demand. I protest against the release of New Zealand butter which has been landed at Halifax for sale in Montreal and elsewhere, as this benefits only Nova Scotia. The benefit should be made applicable throughout Canada. My information is that in the vicinity of 12,000,000 pounds were landed at Halifax.

Mr. WEIR (Melfort): Not 12,000,000 pounds.

Mr. VENIOT: Perhaps I may be mistaken. There were 7,500 boxes, and I do not know what each box contained.

Mr. WEIR (Melfort): Fifty-six pounds.

Mr. VENIOT: That would be in the vicinity of 6,000,000 pounds.

Mr. WEIR (Melfort): Seven thousand boxes at fifty-six pounds would be in the neighbourhood of 400,000 pounds, less than half a million. I do not think the objection of the hon. member to the release of this butter outside of Nova Scotia is well taken. The storage of butter in that province this year was greater than the year before and I do not think this release gave any more protection to the farmers of Nova Scotia than to those in any other part of the dominion.

[Mr. R. Weir.]

Mr. VENIOT: It is a queer thing that they could not find a market in Montreal for the home butter.

Mr. WEIR (Melfort): The butter was released in the larger centres where there was a greater immediate necessity. We felt that by doing this there would be less effect upon the price of butter. The brokers stated that they had difficulty in obtaining an immediate supply. I believe the arrangement has proven satisfactory to the trade and to the producers and it is also fair to the consumers.

Mr. VENIOT: How much butter was in storage last fall in New Brunswick?

Mr. WEIR (Melfort): The three maritime provinces are given together. The stocks of creamery butter in the maritime provinces on March 1, 1933, were 446,021 pounds, and on March 1, 1934, 651,548 pounds.

Mr. BOWMAN: Will the minister give comparative prices for the better grades of butter in New York, Montreal and London?

Mr. WEIR (Melfort): Yesterday's prices on the basis of our own exchange were 29½ cents to 30 cents in Montreal, 29¼ to 29½ cents in Toronto, 24½ cents in New York, 26 cents in Halifax, and 15 7/10 cents in London. The London price is for the finest Australian butter, which is comparable to ours.

Mr. VALLANCE: So the export market has nothing to do with our price.

Mr. WEIR (Melfort): That is because we protect ourselves against the export prices.

Mr. VALLANCE: The minister stated there were 7,000,000 pounds of butter in storage; is that all Canadian?

Mr. WEIR (Melfort): Canadian butter.

Mr. VALLANCE: How much butter is there in bond to-day?

Mr. WEIR (Melfort): The latest information we have is 4,315 boxes of fifty-six pounds each, and some of that may have been released since.

Mr. VALLANCE: What are the regulations, if any, which permit bonding of butter in Canada?

Mr. WEIR (Melfort): Clause four of the New Zealand agreement.

Mr. VALLANCE: Is that applicable only to New Zealand?

Mr. WEIR (Melfort): New Zealand or Australia.

Mr. VALLANCE: Suppose butter was shipped in bond from some other country, what rules or regulations would apply?

Mr. WEIR (Melfort): I am not sure that I understand the hon. member's question. My information is that any importer can bring butter in bond, and it would remain in bond until he wished to release it. He is saved the paying of duty until it is released.

Mr. YOUNG: What are the conditions for getting it out of bond?

Mr. WEIR (Melfort): In a case like that he would pay the duty.

Mr. YOUNG: What is the duty on butter from New Zealand?

Mr. WEIR (Melfort): Five cents per pound on direct shipments unless clause four is invoked, when it is about eight cents per pound.

Mr. YOUNG: What is clause four?

Mr. WEIR (Melfort): I could not give it offhand.

Mr. YOUNG: Give us the substance of it.

Mr. WEIR (Melfort): If we feel that butter is being imported into Canada to an extent to injure the dairy industry, we can protest and place the butter in bond for a period of one month.

Mr. VALLANCE: Does the British minister of agriculture rely on that clause to control his market?

Mr. WEIR (Melfort): That is a clause in the agreement between New Zealand and Canada.

Mr. VALLANCE: Does the same clause appear in all the agreements?

Mr. WEIR (Melfort): There is a different clause in the agreement with Australia.

Mr. YOUNG: It is placed in bond for a month, then what happens?

Mr. WEIR (Melfort): If no satisfactory arrangement can be arrived at the butter will be released on payment of duty under the British preference.

An hon. MEMBER: A duty of 5 cents per pound.

Mr. WEIR (Melfort): No, 8 cents. That lifts it out of the treaty.

Mr. BERTRAND: Before six o'clock the minister spoke of the very advantageous price of butter we were enjoying in Canada, and during the dinner hour I looked up some of the prices that had been paid. I consulted my good friend, the hon. member for Temiscouata (Mr. Pouliot) to see whether he had anything in his file in connection with this question, showing the prices paid for butter throughout the season by the different boards. The prices at the board to which I am going to refer now were those paid in 1933, and if hon. members will follow me they will see what the figures actually were.

Mr. WEIR (Melfort): At what point?

Mr. BERTRAND: This is the Temiscouata board. On May 8 the price was 19¾ cents.

Mr. GOBEIL: How many boxes?

Mr. BERTRAND: This was sold to Hodgson Rowson Company Limited of Montreal. There were 53 boxes sold on that day, and if they bought any more they did not pay higher prices at other points. Perhaps, I had better give a list of the prices:

	Boxes	Price
May 8	53	0.19 3-4
May 15	79	0.17 1-16
May 22	113	0.16 9-16
May 29	118	0.18
June 5	174	0.17 5-16
June 12	233	0.18
June 19	420	0.18 3-8
June 26	394	0.18 1-2
July 3	401	0.20
July 10	488	0.19 3-8
July 17	282	0.18 7-8
July 24	234	0.19 3-16
July 31	414	0.19 7-16
August 7	268	0.18 13-16
August 14	338	0.17 11-16
August 21	232	0.17 9-16
August 28	290	0.17 1-16
September 5	536	0.17
September 11	258	0.18
September 18	212	0.18 1-8
September 25	226	0.18 5-8
October 2	197	0.17 1-2
October 9	74	0.18 1-4
October 16	196	0.17 3-4
October 23	36	0.18 1-4
October 30	59	0.19
	6,325	

The season was over for that board, and the figures I have quoted will indicate that the prices paid there and the return to the farmer were less 3 cents per pound for the cost of manufacturing. We have therefore an idea of exactly what the net price to the farmers was. This however is not the point I wish to make. The important point is that these prices were paid to the producer duing the season of production and, as the minister explained a moment ago, during the summer we came to have an overproduction in Canada and we were afraid of what would happen to the 42,000,000 pounds

that we had—I am taking the minister's figures. We were therefore on an export basis. The minister was trying to credit the tariff with the high price of butter in Canada, but I would point out that when we are on an export basis the tariff will never benefit the producer. I will give further proof of that statement. During that period we exported butter: we exported to Great Britain for example, in the months of August, September, October and November, and a few pounds in December. This was probably on the good advice of the Minister of Agriculture, after there had occurred the discussion to which he made reference, that the amount of butter on hand should be reduced to assure better prices. But what happened is that during the season of production in Canada butter was low, and the intermediary, or whoever buys butter—like Hodgson Rowson, A. A. Ayer and other firms that have bought butter at different boards—and put it in warehouses. When the season was over the tariff still existed, and that is where the difference comes in. While we were on the export basis the producer was producing, so that he did not get the high price for his butter; but as soon as we were off the export basis we were all consumers. This is where the tariff plays the trick, because the consumer pays the high price. So that when it is said that we are now enjoying a price of 30 cents for butter, the fact is that the intermediary gets the benefit; the producer did receive from 13 to 15 cents per pound during the producing season, and the consumer is paying the difference. The fact is that in the non-producing season it is the consumer who pays. The minister said that we were selling butter at 29 cents as compared with 24 cents in New York and 15 cents in London, but I would point out to him that the producers have not benefited at all. That is the extent to which the tariff helps the farmer.

Mr. BOYES: Will the hon. member permit a question?

Mr. BERTRAND: Not just now, I am sorry; I wish to follow the argument through.

Mr. LAFLECHE (Translation): If I may inquire, what remedy do you suggest?

Mr. BERTRAND: I regret that I cannot allow the hon. gentleman to interrupt me, although he is one of my compatriots and I sympathize with him. I want to be fair to everyone. To proceed, I would point out that the tariff has worked to the advantage of the intermediary, who gets the benefit of the prices which London may be fixing, plus transportation charges, plus tariff, which enables him to boost butter prices in Canada, so that the consumer, as I have said, has to pay the difference. This is the only benefit which agriculture is deriving from the tariff in Canada. So much for butter for the present.

With regard to cheese, I listened with a good deal of attention to the argument of my hon. friend from Provencher (Mr. Beaubien). Hon. members opposite discovered that he had made a mistake and they were getting a good deal of comfort from that fact, but I was pleased to hear the minister admit that anyone is apt to make a mistake occasionally. I would refer the committee to the bulletin prepared by the Commercial Intelligence Journal, dated March 17, 1934. We are not reassured at all by this bulletin in regard to the prospects for cheese exports in the future. You will observe that I have taken the precaution not to discuss butter in connection with this bulletin; I am speaking of cheese just now. Mr. D. S. Cole, Canadian Trade Commissioner, writing from Bristol, makes this statement:

> Bristol, February 17, 1934.—New Zealand and Canada are the chief direct suppliers of cheese to the west of England, . . .

I emphasize that. Apparently in some parts of England at least we shall have trouble in the future as far as our exports of cheese are concerned.

> Imports of Canadian cheese have fallen off heavily during the past year, and it is understood that while the chief consideration is the difference in price between Canadian and New Zealand, this is not the only reason. Prominent cheese importers state that in the past Canadian cheese has been brought direct to Bristol and then matured for several months before marketing. This was owing to the popular demand for a matured cheese. The public taste is now changing somewhat to a milder cheese which can be met by New Zealand, and has the advantage of cheapness owing to the premium which is paid for the Canadian product.

And here are figures as to the importations of Great Britain from the different countries:

Importations into Bristol for the past four years:

From	1930	1931	1932	1933
		(Tons)		
Canadian ports. . .	3,239	3,008	4,215	2,500
New Zealand.	4,524	4,977	5,216	6,183
	7,763	7,985	9,431	8,683

Consequently there is an increase in the importations of New Zealand cheese to that part of Great Britain of 1,600 tons, while the figures as to Canada show a decrease of over 700 tons. So even if the hon. member for Provencher did make an error in presenting

his point he was not very far from the facts. The Canadian people should be warned of the danger of losing markets abroad. I think the Minister of Agriculture might very well explain to the committee and to the Canadian people how they are to face this situation. While this bulletin says that New Zealand cheese is selling cheaper than Canadian cheese on the British market, it is of interest to follow the matter further and compare the prices of Canadian and New Zealand cheese respectively when translated into the money of New Zealand and the money of Canada. What we find is that the New Zealand producer receives more in New Zealand currency for his cheese than the Canadian producer gets in Canadian money for his. Although the competition is keener for our producers, the New Zealand producer gets more for his product than we are getting in Canada for ours. I hope the minister will explain how we are going to face this situation and what is being done to meet it, so that our exports will increase instead of decrease.

Mr. WEIR (Melfort): The hon. member for Prescott (Mr. Bertrand) who in business life is engaged in merchandising, will I am sure appreciate more fully than some other hon. members the facts that I hope to place before him, and that they are not altogether in accord with the statement and the interpretation he has given with regard to the price of our butter. The prices quoted were paid by the Temiscouata board. In the first place they might not be representative of the prices paid generally in the dominion.

Mr. BERTRAND: Would the hon. minister then quote the different prevailing prices on a market like Montreal, to indicate how much difference there would be week by week throughout the summer?

Mr. WEIR (Melfort): I shall be glad to do that if it is felt necessary.

Mr. BERTRAND: Well it is, Mr. Chairman. The minister has indicated that my quotations are not exact. In justice to himself if he can repudiate my statement he should give the necessary information.

Mr. WEIR (Melfort): I did not say that the statements of the hon. member for Prescott were not correct; the quotations the hon. member gave I did not dispute. The prices of butter quoted by the hon. member, 19½, 17 1/16, 16½, 18 and 17 cents, were the prices paid during the summer months of 1933, according to the information put on Hansard. If it had not been for the protection given to our dairy producers during that time the dairy farmers in that locality would have met with this competition; the world price of butter in the United Kingdom during that time was 12.05 cents per pound. It can be laid down in Montreal at practically the same price. It costs something to get the butter from Temiscouata to Montreal; so if they resolve the price of say 12.5 at Montreal back to Temiscouata it will be at least somewhat lower. The price of butter fat being closely related to the price of butter, I think hon. members will admit that it would come to at least 4 or 5 cents a pound less for butter fat than they actually got. I am sure the hon. member realizes that, and if he will discuss seriously with any creamery man in Canada, as I have done, because of the steps we felt it necessary to take to have some butter exported, they will confirm what I say; that is that the average price of butter fat paid to farmers from one end of Canada to the other during the summer of 1933 was 4 to 5 cents a pound higher than it would have been had there not been this protection, had they been paid on the basis of the export price. That is what concerned the holders of butter in the fall, the creameries, the cooperative creameries in particular in different parts of Canada. They had paid more for their holdings than they should have paid, if they were to be in the position of having to export in the fall on account of this surplus they had in stock. That was not realized until the statistics of butter in storage came out on the first of September. Immediately they decided that to protect themselves they would have to drop the price of butter fat. They did that; the cooperative concerns had already done it in parts of the dominion. It was with this in mind that we called into consultation the holders of butter and the big distributors. In fairness to these men I must say that some of them held no greater quantities of butter than they could reasonably expect they would have been able to dispose of. Yet to assist in the situation that had arisen they agreed to take the loss themselves of lifting this surplus off the market, in the hope, of course, because that was the argument we used, that it would be to their gain to do so, giving a healthier tone to the market.

Mr. BOUCHARD: They are making up for this to-day.

Mr. WEIR (Melfort): The effect of that was that immediately the price paid for butter fat increased right across the country and the farmers got the benefit. As to the undue profits that it has been suggested these people

made in holding butter, let us have the picture fairly before us. The hon. member for Prescott knows that you cannot hold butter from June until February or March except at a considerable cost for storage, which is in the neighbourhood of a half cent per pound per month.

Mr. YOUNG: Is that per month?

Mr. WEIR (Melfort): Yes.

Mr. BERTRAND: Not a half cent per pound per month.

Mr. WEIR (Melfort): I have been informed, not only by officials of my own department but also by cooperative concerns that are truly representative of farmers, that storage charges, interest, insurance and other items that enter into the cost of holding butter total from three-eighths to one-half cent per pound per month.

There is another point in that connection which I should like to mention to the committee; it is this, that in September the full significance of the effect of the shortage of feed was not realized in connection with the production of butter; the reduced production that took place was not expected. If normal conditions had obtained and the early winter had not set in throughout the country and particularly in the west, resulting in production being cut down and thus creating a scarcity where otherwise there might have been a surplus, conditions would have been different. At that time these men did not expect to be able to sell their butter for more than 21 or 22 cents a pound, in which case their profit would have been made on a very narrow margin indeed. Actually, however, when they lifted these few million pounds off the market the price of butter immediately went up all through the country, and the price of butter fat went up almost in direct proportion. During the period when the price was increased the production of butter in Canada amounted to from 8,000,000 to 9,000,000 pounds a month, so the increased price paid for the butter fat due to the protection the industry has been given, amounts to a very considerable sum. Of course the difference in the cost of production as between the winter and the summer is taken into consideration, but that difference would have obtained even if there had been no increase in the price of butter, so that increased price was reflected back to the farmer, and the increased price of butter fat on the basis of 8,000,000 to 9,000,000 pounds of butter a month shows that this increase benefited the farmers very much more than it did the private concerns that held this butter and took the risk of being able to get rid of it. If everything had not broken the one way, with poorer crops and the early winter which resulted in a lower production of butter, many of the people holding butter, unless they advanced the price for butter fat for the current make, would have stood to lose very materially.

Mr. BERTRAND: Following that may I ask the minister when the butter was lifted off the market? I think that was the expression he used.

Mr. WEIR (Melfort): The figures are as follows: September, 1,719,900 pounds; October, 1,763,800 pounds and November, 533,000 pounds.

Mr. BERTRAND: Those are the amounts that were exported?

Mr. WEIR (Melfort): Yes.

Mr. BERTRAND: I just wanted to refer to this point, Mr. Chairman. During the time we had a surplus of butter we were also exporting. The bureau of statistics has supplied me with the figures just given by the minister, so we can take it that during September, October and November we were on an export basis. What was the price then paid to the producer of butter? The minister has said that if we had not had the advantage of the tariff the producers of butter would have suffered a considerable loss, but just let us see what weight can be attached to that argument. It was then known that the butter had to be lifted off the market; the press broadcast the fact that we had 42,000,000 pounds of butter, and everyone wondered what we were going to do about it. Let us compare the figures; it may be that my figures are not exactly correct, but they are in line with butter prices throughout the country, and if they are not correct let the minister give me the statistics for which I asked. During the first week of June the price was 17 cents and we were not on an export basis. During the first week of September, when we were on an export basis, the price was also 17 cents. How did the tariff help the situation; what did the tariff do for the farmers in June? According to the minister we were on an export basis in September; how does he explain the following figures? In the second week in June and September the prices were 18 and 18⅛ cents. Is the advantage with the June period? No, the advantage is with the September period; of course it is. As we follow the weekly prices for June and September figures we find a variation one way or the other of from one-eighth to one-quarter of a cent a pound.

Let us be fair and frank and call it even; what exactly is the situation that remains? While we were on an export basis we were getting the world price, consequently the tariff did not help us at all. During the period when we had the local market, the sheltered market about which we heard so much, according to our friends opposite we should have received four or five cents more per pound, but that was not so; we received less than when we were on an export basis. So I say, Mr. Chairman, that my statement that the tariff did not protect farm products still stands.

The minister advanced another argument that I almost overlooked; he said that in September so many pounds of butter were released and from 7,000,000 to 8,000,000 pounds of butter were manufactured, and that as a consequence the price of cream advanced. The only variation that I find during the period mentioned, when the minister says the farmers enjoyed a better price for their butter, amounts to very little. The price ranged from 17 to 17¼ cents, one occasion touching 18⅝ cents. The minister has said that the farmers have enjoyed an advantage during the period he mentioned, but I do not see how he can substantiate that argument. The farmer did not receive a greater price during the period in question. As I have said, the intermediaries or the jobbers have secured the whole production of butter at a price of from 17 to 18 cents per pound during the producing season, and are now selling it at 29 cents a pound. Unless the minister can suggest some further argument I will not accept his statement that the farmers have benefited by the increased price, and that the intermediary is not receiving the full benefit.

Mr. WEIR (Melfort): If I understand the hon. member correctly, I gather he is urging that if we had no protection in Canada for the dairy industry butter would not be selling for any less than 29 cents a pound. Is that correct?

Mr. BERTRAND: If the minister wishes to know my opinion I shall tell him that if we had no tariff, the consumer would enjoy lower prices at periods when the farmers are not producing.

Mr. WEIR (Melfort): The hon. member is making the admission that if we did not have a tariff the consumers would pay less and the farmers would get more, and that the production is 8,000,000 to 9,000,000 pounds per month.

Mr. YOUNG: No he did not say that.

Mr. WEIR (Melfort): The question of the price paid for butter in the month of June and in the following months would be based, as the hon. member knows, on the estimate that the trade would make—I refer to the cooperative creameries and so on—as to the price that they would have to pay for their requirements in the winter months. The only butter on which they would realize any considerable profit—and that when distributed over the country would mean very little—would be the surplus, which is only a small proportion of the whole amount of butter; that is, there would be 42,000,000 pounds less 4,000,000 pounds. These brokers or holders of butter sold it and lifted it off the market in the months of September and October, not at the export price but at a loss to themselves.

Mr. BERTRAND: That being so, I should be quite willing to release 4,000,000 out of 42,000,000 pounds at a slight loss of a few cents per pound, if I were to make a big profit on the remaining 38,000,000 pounds. I should be quite willing to do that, and it would be good business on my part. Let us be frank and clear as to my argument that if there were no tariff the consumer would enjoy lower prices when the farmers are not producing. During the summer the farmers were producing and we attained the position where we had to face world competition. There is no better proof of this fact than that in the months of August, September, October and November we were on the world market, and we had to accept world prices. Consequently the farmers could not enjoy a sheltered market. Probably the suggestion will be made that my argument does not hold for all the months in question. Then, let us consider these four months I have named. During the months of August, September, October and November we were on the export basis, and consequently, as I have said, the farmers could not benefit by a sheltered market. We had to face the competition of the world, and the prices in Canada were at that time as good as they were in the months of June and July when we did not have to face world competition. This is the condition that the farmers and the producers have to face, and this has always been the case. I am very happy to be speaking to a good cause at the present time, and to make an effort to show that the tariff does not help the farmer, due to the fact that he sells on the open market. He sells in competition with the world and buys on a sheltered market; consequently he operates at a disadvantage. There can be no

doubt about that. In the four months I have mentioned, we were on the open market and had to face world competition. At the present time we are not on the export basis; we are on the import basis, because we are importing butter. Consequently the sheltered interests are receiving benefit from the tariff, putting up the price of butter, and the consumer is paying for it.

Mr. WEIR (Melfort): I regret to have to take further time of the committee, but the hon. member has completely evaded the point at issue, namely that butter is now selling at 29½ to 30 cents a pound. He states that if there were no tariff it would be selling at a low price, which means that the farmer would be getting less than he is at the present time.

Mr. BERTRAND: He is not producing it.

Mr. WEIR (Melfort): The farmer is producing to the extent of 8,000,000 pounds a month, and that is on a basis of the highest cost, which makes it much more beneficial to him. The statement is made that in August, September and October we were on an export basis, and that the price paid for our butter was as high as or higher than it was in June—

Mr. BERTRAND: Just the same.

Mr. WEIR (Melfort): The reason for that, of course, must be evident to the hon. gentleman, because in June the world price or the export price of butter was much lower than it was in August, September or October. And had it not been for the protection afforded at that time, butter would have come into Montreal and to the west coast at a price in the neighbourhood of 15 or 16 cents a pound at the outside. It is a mere mathematical calculation to follow the cost back to the prairie or to the inland districts of eastern Canada. That is, butter could be laid down in Vancouver, according to the figures the hon. member has given, for at least three cents a pound less than the farmer was getting for butter at inland points in Canada. And if that butter which was then being made was in direct competition with the Vancouver butter—that is the outlet for the Alberta butter and in a similar degree it holds in the east—the price that the farmers got for their butter offered at that time would have been, as I said before, considerably less than what it actually was.

Mr. YOUNG: As I understand the minister's explanation, it is something like this: that during the producing season last summer the creameries paid to the farmers more than their cream was worth because they did not understand the true situation. If they had understood the true situation they would not have paid it. Then, in September, they realized that they had a surplus on hand of 42,000,000 pounds of butter. They were afraid they would have to export this surplus and so force the price down to the export level. Then the government stepped in and appealed to the holders of butter to sacrifice some of their holdings on the world's market, in order to lift that load off the Canadian market. In connection with that there is a story. It is said that the only man who loses in a gentleman's agreement is the gentleman. Some of those appealed to did unload their butter on the world's market at sacrifice prices; others did not. Those who did, later on found that they had to replenish their depleted stocks from those who did not in order to supply their trade and at higher prices. But before very many million pounds were unloaded, the winter set in. It set in much earlier than had been expected; the farmers found themselves without feed, and immediately we had a shortage of butter instead of a surplus. It seems to me that the best thing the government could have done would have been to stay out of the market altogether. If they had stayed out, it would not have been necessary to ask anybody to unload. The natural course of events would be to force the price up, as the minister explained, because there was a shortage created through the shortage of feed in the early winter. Now he tells us that the price of butter in Montreal is 29½ cents a pound and in London 15·7 cents a pound. There is a difference of 13·8 cents a pound between the Montreal and the London price. He also tells us that we have large quantities of New Zealand butter in storage here, which under certain conditions might be released by paying a duty of four cents, and under other conditions by paying a duty of eight cents. Suppose it pays the highest possible rate of duty, eight cents; that would still leave it 5·8 cents cheaper than the Montreal price. I ask the minister how he accounts for that spread of 5·8 cents between the Montreal price and the price of New Zealand butter in storage here even with the highest duty he can put upon it.

Mr. WEIR (Melfort): Dealing with the hon. gentleman's first statement, that more was paid for butter than it was worth—or perhaps it would be a fairer way to put it that more was paid than they would have paid if they had realized the situation—I think the best proof of what the effect of this whole thing meant is the messages that we

received, and I am sorry that I do not have them with me, from the cooperative organizations and creameries in different parts of the country.

Mr. YOUNG: I am not disputing the minister's statement. I accept it. I am quite willing to believe that they paid that price not knowing what the actual price would be.

Mr. WEIR (Melfort): The hon. gentleman also wanted an explanation of why the butter price in Canada, when we are importing butter, is higher than the London price plus the highest duty we can put on it. I think the hon. member himself is sufficient of a business man to realize the situation. When a man starts to ship butter from New Zealand it is very much of a guessing competition what the price will be six or eight weeks later when that butter arrives in Halifax. Had they thought that the price of butter would have stayed at the price it is now, I have no doubt that a much larger quantity of butter would have come forward.

Mr. YOUNG: Then why don't they sell what they have here?

Mr. WEIR (Melfort): Because we have made an arrangement with them which we feel is satisfactory to everyone, that the butter will be released gradually. The greater part, almost the whole of it, has been released already without any appreciable effect on the market.

Mr. YOUNG: That is to say they could release it now by paying the highest duty of eight cents, and still make a profit of 5·8 cents a pound. If they are not doing that it is because they are holding the butter in anticipation of a higher price. I think the minister's policy is encouraging the speculator in butter.

Mr. WEIR (Melfort): They are not holding the butter as speculators in the ordinary sense, but an arrangement has been made with them under which the butter will be released. So far as the legality of the thing is concerned they could release the butter when they paid the duty, but they have been fair enough to listen to our representations and they feel that it is more in the interests of everyone to release it gradually. The butter has been released except four thousand boxes of 56 pounds to the box, which is a very small amount of butter which no one would think of holding for purposes of speculation.

Mr. GOLDING: I have been listening very quietly to this argument, and I should now like to ask the minister two questions. First, can he give any estimate to what extent, in dollars and cents, agriculture has been benefited by the tariff, and secondly, what has protection of all the other industries cost agriculture in the past year?

Mr. WEIR (Melfort): I am sure the hon. member is not serious in expecting an answer offhand, but if there is any information he desires in that direction I shall be glad to get it for him so far as I can. It is a fairly simple matter to make a rough estimate of what protection means to the farmer. Some of the values of protection to the farmer I put on record on a previous occasion, in the debate on the address. Using the figures I used this afternoon, protection netted to our farmers in one week in April, 18·06 cents a pound more for every pound of butter produced than it would have netted had there been no protection of that industry.

Mr. MOTHERWELL: Eighteen cents? With a duty of four cents?

Mr. WEIR (Melfort): That is the difference between the export price and our price.

Mr. GOLDING: I quite appreciate that my question is a difficult one to answer offhand, but I take it for granted that the minister has the interests of agriculture at heart and is anxious to see that industry properly protected. I am quite satisfied to wait any length of time if I can find out what protection of all the other industries in this country has cost agriculture during the past year.

Mr. WEIR (Melfort): The hon. gentleman must remember that under the past government there was no protection, so to speak, given to agriculture in Canada. This is the first time I believe in the history of the Canadian government that any government has attempted to protect agriculture and to treat the farmers of Canada on as nearly as possible the same basis as all governments in the past have treated the so-called private or special interests.

Mr. GOLDING: I do not give a snap of my finger for what has been done in the past. The question I am asking is what has actually taken place in the past year. I am not concerned about previous governments.

Mr. BOYES: I am quite interested in the discussion which is taking place in regard to butter and cheese. I think hon. gentlemen opposite feel that the protection which has been afforded to agriculture by this government has been of considerable benefit to the farmers, and yet they don't like to admit it.

An hon. MEMBER: They are just playing politics.

Mr. BOYES: Possibly they are playing politics to a certain extent.

Mr. STEWART (Edmonton): You never do it over there, do you?

Mr. BOYES: A short time ago the Minister of Agriculture explained why there was not as much cheese being exported from Canada as there had been in the years past, and he named a number of ways in which milk is now being used which was formerly used in the manufacture of cheese. But there was one thing he forgot to mention, and that was that a lot of milk is being manufactured, especially in Ontario at the present time, into condensed milk and powdered milk. There are quite a large number of factories in Ontario, especially in the western part of the province, which are now manufacturing milk into condensed and powdered milk. That milk was formerly used in the manufacture of cheese. Another reason why I think there is not as much cheese exported now as formerly is that this government is affording protection to the farmer by not allowing cheese to enter this country free as it formerly did. We are still manufacturing cheese in Ontario and Quebec to quite an extent but in the western provinces, especially British Columbia, practically no cheese is being manufactured. In former days the cheese which came into these provinces was imported, whereas to-day considerable of the cheese manufactured, especially in western Ontario, is shipped to the western provinces.

I feel that our producers are receiving considerable benefit from the protection afforded on butter. If it were not for the protection enjoyed to-day I am quite sure we would not be reeciving much more than 16 or 17 cents per pound. Some hon. members on the opposite side have said that the farmers are not producing milk at this time of year, but I think they are in error. In the western part of Ontario the creameries run the year round and produce large quantities of butter. Our producers are receiving benefits which they would not have received had the previous government continued in power. The farmers in my community are appreciative of the fact that this government is in power, and that they have a protection which is making money for them to-day.

Mr. POULIOT: The hon. member stated that the reason why the production of cheese has fallen is because more concentrated milk is being manufactured; is that right?

Mr. BOYES: Yes.

[Mr. Boyes.]

Mr. POULIOT: On page 558 of Hansard will be found certain statistics with respect to the exports of concentrated milk. The 1933 exports of concentrated milk to the British Empire were $380,103 more than the exports in 1930, but the exports to foreign countries were $1,231,196 less. There is a loss there of $851,093. The home consumption of concentrated milk for 1932-33 as compared with 1930-31 showed a loss of 48,990,807 pounds. What is the use of making more concentrated milk when we are consuming over 48,000,000 pounds less and our exports are down $851,000? I cannot understand the soundness of that proposition. My hon. friend cannot be well informed or else he is dreaming. Perhaps he is dreaming about the millions the Ottawa agreements were to bring to the farmers of this country. These are statistics which have been given in the house and which have not been contradicted by the Minister of Agriculture or any other minister. I defy them to contradict them. The Prime Minister dots the i's and crosses the t's of the typewritten text of my speeches but he does not dare to contradict one single figure which I have given. He pays me a great honour by doing that but he cannot contradict my statistics because they were obtained from the bureau of statistics. As far as concentrated milk is concerned, the hon. member for East Middlesex (Mr. Boyes) knows nothing. That is the first point. Let us see about cheese. What have been the benefits of the Ottawa agreements in this regard?

An hon. MEMBER: We cannot hear you.

Mr. POULIOT: There are none so deaf as those that will not hear. If my hon. friend does not understand me, perhaps I had better speak in French.

Mr. SPROULE: Then they will hear you at home.

Mr. POULIOT: Perhaps if my hon. friend crossed the aisle and sat beside me he could understand what I say. I am doing my utmost to be agreeable and pleasant to him. But I shall not quote only statistics, I shall quote the words of the prophet, the almighty, the human almighty or the semi-god almighty in connection with cheese. Sometimes he talks about profane matters which are of great interest to the farmer but let us see what this human almighty, whose absence we deplore so much at this time, said about cheese two years ago. Here are his words which appear on page 127 of Hansard of 1932-33:

—and the entire quantity of the type of cheese produced in Canada the direct effect of this preference is not so important.

According to this prophet, cheese is a negligible matter. There has been considerable discussion this afternoon and this evening about this commodity and I congratulate the hon. member for Prescott (Mr. Bertrand) upon the logical argument he put forward. I sympathize with the minister in his embarrassment, but it is easy to understand why he is embarrassed. What about cheese? Cheese is good. It is good to eat but the trouble is the farmer does not receive any benefit from our eating it. The Prime Minister was so busy with the possibilities and the potentialities of hogs when he spoke on that memorable October 12, 1932, that he paid no attention to cheese. The result is that the exports of cheese to the British Empire in 1933 were down $4,688,904 as compared with 1930, and the exports to foreign countries were down $441,497, a total decrease of $5,130,401. Apparently there has not been the great success which the hon. member for East Middlesex claims has been achieved. The imperial conference has not proven to be such a great benefit to the farmer in connection with the exports of cheese. The home consumption in 1932-33 was down 7,548,392 pounds as compared with 1930-31. Our exports, the major part of which are to the British Empire, were down by over $5,000,000, while home consumption had decreased by over 7,500,000 pounds. It is not a very successful policy. And why was the home consumption of cheese less? It is because the people have no money to buy cheese. They eat bread without butter or cheese, just plain bread. They have no money to buy cheese. If the people had more money they would buy cheese and the farmers would be more prosperous; they would be happier.

Let us see about butter. There is more butter produced—admitted. Let us take one year before the imperial conference of 1931, the year after the butter victory. On May 26, 1931, I asked the Minister of Agriculture a question, as reported at page 2006 of Hansard:

> Mr. Pouliot: So long as the production of butter in this country is less than the consumption, is it necessary, in order to supply the trade and the public in general, to import butter?
>
> Mr. Weir (Melfort): Do I understand the hon. member's question to be this: If the production of butter in Canada is less than the consumption, should we allow the importation of butter?
>
> Mr. Pouliot: No; is it necessary to import butter from outside?
>
> Mr. Weir (Melfort): Yes.

In winter we produce less butter. In 1931 we imported 344,000 pounds; in 1932, 50,972 pounds, and in 1933, 1,199,000 pounds from New Zealand. If it was bad to import New Zealand butter in those years, is it better to import it now? I put that question to the committee. I remember well that in the last general election, in every small parish or town, the Conservative speakers were saying it was a crime to import butter from New Zealand. We still import butter from New Zealand. Is it a crime or is it a virtue to import from New Zealand? I do not express any personal opinion; I am merely reminding the house of what was said at the time by the very friends of my hon. friends opposite and by themselves. And now the present government is doing much better! Thanks to them, we are importing, not candied fruit but butter from Syria, from Asia Minor, from all corners of the globe. We imported 2,264,000 pounds in 1931 from Australia and in 1932 160,000 pounds from that country. We are importing butter from those beautiful islands of the Pacific, the Fiji islands, 9,408 pounds.

An hon. MEMBER: Cocoa butter.

Mr. POULIOT: It may be called cocoa butter but it is plain butter just the same. From Newfoundland, we are importing 300 pounds; from Syria, 160 pounds; from the United Kingdom, 181,000 pounds. According to the evidence given by the Minister of Agriculture, butter is very fond of travelling. Butter was going across to England and coming back to Canada. The butter was shipped to England and returned to Canada. That has never happened before, but this government is doing marvels. We have a kind of travelling butter, butter which goes across and comes back, like a boomerang—boomerang butter. It is marvellous. This was in 1931, and in the last year also we imported 75 pounds of butter from Syria, probably to make the balance good, and some more butter from the United Kingdom. We are on an export basis. We export butter to the United Kingdom and we import butter from the United Kingdom. It is a kind of peddling butter. It is a most extraordinary thing; the butter goes to and fro, crossing the ocean like Lindbergh and coming back.

An hon. MEMBER: It must be cheese.

Mr. POULIOT: No, it is butter. Perhaps the hon. member would like to follow the course of the butter.

Mr. SPROULE: Will the hon. member permit a question?

Mr. POULIOT: Yes.

Mr. SPROULE: Will he sit down and see if we can get along a little faster?

Mr. POULIOT: My hon. friend is a farmer and I am not, but I know the farmers and I work for them, and I am showing the absurdity of the policy of this government with regard to agriculture. I might go to his constituency and have a joint meeting with him, in any place in his constituency, and discuss agricultural matters with him, and I would not be afraid to do so, just as I have done in other parts of Ontario, and I am sure his electorate would listen to me and say: "That man from Quebec is fair, because he takes the trouble to listen to the grievances and miseries of the farmers; he wants to adjust these matters so that there will be fair dealing in the House of Commons of Canada". I have never been bullied by anyone, Mr. Chairman, and I have never been impressed by anything of that kind, and I suggest to the hon. gentleman that instead of making jokes about my stand and what I say about butter he should appreciate the fact that a man who is not a technician in agricultural matters takes the trouble to study them in order to give a little help to the farmer, who is so much neglected by this government.

Now that that matter has been settled, Mr. Chairman, let me remind the Minister of Agriculture that the matter of rock bottom prices of butter came up in the house in 1931, and this is what was said. I am quoting from Hansard, page 2091, of May 28, 1931.

Mr. Pouliot: Would the minister be kind enough to give me the information referred to yesterday afternoon about the rock bottom price reached by butter when the Australian butter was released?

Hon. Robert Weir (Minister of Agriculture): The date when it was mutually agreed to release the Australian butter was April 21. The price of butter on that date was 22 cents a pound.

On May 28, 1931, the Minister of Agriculture stated in the committee that he thought he had good reason to believe that the rock bottom price of butter was 22 cents a pound. He knew nothing about the future. This evening, my hon. friend from Prescott (Mr. Bertrand) has read figures which have been published in the St. Laurent Weekly of Riviere du Loup, my home town; he gave those figures and I will not repeat what he has said. Those were the prices paid for butter in Temiscouata during last summer. The farmers were complaining that they were making no money out of the dairy business. What do we see now? One can argue and split hairs for hours and days and months, but what is the direct result of that so-called agricultural policy of the government? Here is a paper which explains it, le Bulletin des Agriculteurs. Here is a book of 300 pages, the Quebec Official Gazette. I will not read it so you may be reassured, sir, but I know the information contained in it. Le Bulletin des Agriculteurs is published by Mr. Donat C. Noiseux. It is a Conservative paper published in Montreal; my hon. friend the Solicitor General (Mr. Dupré) knows that paper, and knows that it never has a good word for the Liberal party. In the issue of February 8, 1934, it states that 2,554 farmers in the province of Quebec will have their land sold for taxes. Here I have the issue of January 27, 1934, of the Quebec Official Gazette, which contains pages of names of farmers whose land was to be sold because they could not pay their taxes. Why could they not pay their taxes? Because they got no benefit from farming. They got no benefit from the sale of butter; they got no benefit from the sale of cheese; they got no benefit from the sale of concentrated milk or cream. The result will be that those people will join the ranks of the unemployed and come on direct relief because the government did not have a sound policy with regard to agriculture. Now my hon. friends opposite are afraid of the results; they cannot explain what has happened, so they say times are bad everywhere, that there is a world crisis. That is not what was said by the leader of that party during the last election. He told the electors that he would see that the farmers would get a fair price for their butter, their cheese, and all their products—I do not mention them all because I wish to remain within the item which is now being discussed. But the promise was general; everyone was to be made happy; everyone was to learn from him the recipe to become a millionaire. But what has happened? It is very sad. The farmers are not millionaires. In my own province of Quebec 2,544 farmers will have their land sold for taxes, and here is the Quebec Official Gazette, which is bilingual because in the province of Quebec all official papers are bilingual; I can show it to any hon. member and he will see the names of these farmers. Those who said to the farmers: "Come to us; vote for us; we will make you rich and happy; we will make you prosperous," have been unable to fulfil their promises, but they have not the courage of a member from our side who, having made a slight error in quoting figures this afternoon, admitted it. They put the blame on the provincial governments. Is it the fault of the Quebec government that the farmers cannot market their products outside of Canada and in all the provinces of Canada? The Minister of Agriculture is too prudent to say that, but we see it in news-

papers such as this, which say that the provincial government is to blame because the farmers cannot market their products and their lands are sold for taxes.

To conclude this, sir, I will quote again a paper which I preserve as a precious thing and which I quote on great occasions. I used it in May, 1931; I used it not long ago when we were discussing the empire bureaux item. It is now an old yellow page of the unrevised Hansard of April 8, 1926, page 2341:

Mr. Ross (Moose Jaw): You contend that if the tariff is taken off the prices immediately rise?

Mr. Meighen: We contend it and we know it, because we see the facts.

This was said by the Right Hon. Arthur Meighen who is now the leader of the government in the Senate. Remove the tariff and prices will rise. Mr. Meighen was not the only one who said that; he was supported by our very genial friend the Minister of Railways and Canals (Mr. Manion), who said in about the same words: "If you take off the tariff you raise the prices of goods." The reverse must be equally true; therefore by imposing a high tariff you lower the prices of goods. This has been quoted in the house very often; I keep it as a treasure. I had the opportunity to read it in Ontario as well as in the province of Quebec and in the House of Commons; everywhere it has been listened to with great interest, and most people who hear this quotation ask me the same question as my hon. friend from Macdonald (Mr. Weir) did a moment ago, on what page of Hansard do we find it. Let us take it seriously, hoping that as the government tried to take the first step with regard to international matters like the League of Nations, peace, and such matters, they should also take the first step with regard to lowering tariffs. Last year we heard the Minister of Railways say in the house that he had no objection to lowering tariffs provided it was done by mutual agreement of several nations. But some nation must start it, and I hope that this time Canada will give a good example to the other nations of the world, and that will help us to forgive the government for many wrongs they have done in the past.

Mr. PARENT: Mr. Chairman, I am rather late in rising to say a word on this item dealing with the dairy industry, but I shall not be long. There is one point in connection with which I should like some information from the minister. This item provides for $234,000 while last year the vote was for $246,300, so we have a reduction this year of $12,300. It is interesting to look over the statistics and follow the evolution of agriculture and particularly of the dairy industry. It is particularly interesting to look at the gross value of the production of the dairy industry in Canada for the last six years. These figures are as follows: In 1927 the gross value was $295,000,000, in round figures; in 1928 it was $293,000,000 and in 1929 it amounted to $292,000,000. In 1930 there was a slight drop, to $270,000,000. I direct the attention of the committee to the fact that up to 1930, under Liberal administration and a low tariff policy, the production was rather high. In 1931 there was a sudden drop, after tariffs had been put up, to $161,000,000, and in 1932 the gross value was only $132,000,000. Having these figures in view I wonder what justification the minister can suggest for reducing the amounts spent on agriculture, and particularly the amount spent in connection with the dairying industry.

Then on page 75 of Canada, 1934, published by the Department of Trade and Commerce, I find the following:

Dairying has long held an important place among Canadian industries. Cattle were introduced by the first settlers and there naturally followed the making of home made butter and cheese, at first purely for home consumption but later for export. The export market grew. During the fiscal year ended March 31, 1926, Canada exported 1,483,000 hundredweight of cheese, valued at nearly $34,000,000.

At that rate the cheese would yield about 22¾ cents per pound to the producer. It is also stated that 233,000 hundredweight of butter valued at nearly $9,000,000 were exported, which would yield 39$\frac{1}{10}$ cents per pound to the producer. Then it is said that in 1931-32 we exported 85,424,700 pounds of cheese, which yielded 12·4 cents per pound and 10,917,300 pounds of butter yielding 21·8 cents per pound. This was under the new government, after the tariff had been raised. In the following year it was still worse. We exported 85,711,600 pounds of cheese yielding 10·2 cents per pound and 3,206,000 pounds of butter yielding 18·3 cents per pound. If we go a little further we find that it gets worse. In the first nine months of 1933 we exported 38,474,600 pounds of cheese, yielding 10·9 cents per pound and 2,062,100 pounds of butter, yielding 18·5 cents per pound. From these figures, Mr. Chairman, it will be seen that in the last few years the dairy industry has been declining.

I should like to add a few more figures of interest. Much has been said about the Ottawa agreements; the Canadian people, and especially those interested in trade and manufacturing, expected that with the advent of the present government a market would be pro-

vided for the products of all lines of business. What do we find in connection with the dairy industry? Last February the Financial Post published figures to show that Canada has not benefited at all, so far as the dairy industry is concerned, by the Ottawa agreements. The country that really has benefited in regard to dairying is Australia, and here are the figures. I will give only the gross figures: In 1928 Australia exported to Great Britain 45,000 tons of butter; in 1929, 48,000 tons; in 1930-31; 73,000 tons; immediately after the Ottawa agreements, in 1931-32, 91,000 tons, and in 1932-33, 100,000 tons. Let us see what butter Canada has exported since the Ottawa agreements. We find in bulletin 569 published by the Department of Trade and Commerce that the insignificant quantity of 1,034 tons of butter was exported from Canada to the United Kingdom for nine months in 1933.

This afternoon I heard the Minister of Agriculture saying that the United Kingdom was Canada's best market for dairy products. I should be delighted if he would deny the figures I have given and state that I am wrong. I wish I were wrong.

Mr. WEIR (Melfort): Did the hon. member say I stated this afternoon that the United Kingdom was the best market for our dairy products?

Mr. PARENT: I understood the minister to say that.

Mr. WEIR (Melfort): I did not say it.

Mr. PARENT: I accept the minister's statement.

Mr. POULIOT: Therefore the Ottawa agreements are of no use.

Mr. PARENT: Not more than half an hour ago the statement was made that the very best protection had been given to the farmers of Canada, and particularly to the dairy producers. Protection? What protection? Where is it? There is no protection whatsoever. So far as Canada is concerned, the market for dairy products has been lost, absolutely lost. It is a complete ruin. Can that ruin be traced to the tariff? Well, I shall not discuss that matter at this point. I am asking the Minister of Agriculture this question: What will the farmers of Canada think when they find that $12,000 has been deducted from the vote to help dairy producers? I am one who would be very happy to see, not a decrease of $12,000, but an increase of that amount to help the farmers and the dairy industry.

[Mr. Parent.]

Mr. REID: One question, Mr. Chairman, before this item passes. The question of quotas has not been cleared up. I find in the Journal of the Parliaments of the Empire an answer given in the British House of Commons by Mr. Elliot wherein he stated:

> The provisions of the Ottawa agreements securing free entry into the United Kingdom of butter and cheese from Australia and New Zealand are due to expire on August 19, 1935, while the undertaking that no restriction will be placed on imports of meat from those dominions is due to terminate on June 30, 1934.

My question is this: Is there some such provision regarding the importation of butter and cheese from Canada? It is very important that this matter should be cleared up, because it would seem to me that if there is it should be known, and if not I think it hardly likely that Great Britain would allow Canada to export butter and cheese freely, and restrict New Zealand and Australia.

Mr. BENNETT: If the hon. gentleman will read the agreements he will find the answer.

Mr. REID: I did not hear the right hon. gentleman.

Mr. BENNETT: The answer is provided in the agreements. It was a three year agreement with respect to dairy products, not only for New Zealand and Australia, but also for Canada. The hon. member will find that in the documents. With respect to the other items, there was a special provision for Australia and New Zealand in connection with meat, which expires in 1934. There was no such arrangement with respect to meats in connection with Canada. But in 1937 all of the agreements fall in, so far as Canada is concerned.

Mr. STEWART (Edmonton): I have been greatly interested in the discussion on the dairy industry in Canada, which has taken place this afternoon and this evening. To my mind some very interesting developments have been announced by the minister and by other hon. members opposite. I have been curious about some of the statements which have been made, and should like first to read a statement made by the Prime Minister at Winnipeg on June 9, 1930. Upon it I shall base the remarks I propose to make this evening. He is reported as follows:

> We pledge ourselves to foster and develop agriculture, and the live stock and dairy industries, now so sadly neglected. . . . Listen, you agriculturists from the west and all the other parts of Canada, you have been taught to mock at tariffs and applaud free trade. Tell me, when did free trade fight for you? Tell me, when did free trade fight for you?

He emphasizes this interrogation, and then continues:

You say tariffs are only for the manufacturers. I will make them fight for you as well. I will use them to blast a way into the markets that have been closed to you.

The Minister of Agriculture has intimated that conditions have been exceedingly bad for the producers of dairy products throughout Canada during a very considerable period of the past three years. The hon. member for Compton (Mr. Gobeil) seemed to be very uneasy while this discussion was taking place, particularly when he learned from the lips of the minister that a considerable quantity of butter landed at Halifax had not been sold in the maritime provinces but had been shipped to the markets of Montreal and Toronto. Hon. gentlemen opposite will recall that the Liberal party was condemned in season and out of season, particularly during the campaign of 1930, when the price of butter was much higher than it is to-day, for permitting the landing of New Zealand and Australian butter in Montreal. What has happened to-day? One of my tenants told me that in 1932 he gave his cows away to his neighbours because they did not pay him for the wear and tear on his overalls brought about by milking them. Despite the fact that feed conditions are bad and that we are passing through a very severe winter, when of necessity the cost of production must be higher, what are we told to-night when there is a prospect for producers getting something in return for their labour? Under these conditions this government permits the importation of New Zealand butter. That is the statement we get to-night.

Mr. BENNETT: Does the hon. gentleman know that it pays a duty of eight cents a pound?

Mr. STEWART (Edmonton): Yes, I know and appreciate that fact. I must say, however that it does not pay eight cents; it pays five.

Mr. BENNETT: It is coming into Halifax and paying eight cents.

Mr. STEWART (Edmonton): Under the contract it is paying eight cents, but this is butter which is coming in under a special provision of five cents. I trust my right hon. friend will remember that, because I have been told it repeatedly to-night by the minister himself. What I am saying is this—

Mr. WEIR (Melfort): Does the hon. gentleman say that butter coming from the United Kingdom to Halifax is admitted at five cents a pound duty?

Mr. STEWART (Edmonton): I so understood the minister to say.

Mr. WEIR (Melfort): I never said that.

Mr. STEWART (Edmonton): Did not the minister state that to the committee to-night?

Mr. WEIR (Melfort): No.

Mr. BENNETT: Coming direct.

Mr. STEWART (Edmonton): Then I did not get the purport of the minister's remarks. He said that it was eight cents, but that if coming direct it was permitted to enter at five cents a pound. The minister confirms that statement.

Mr. WEIR (Melfort): Might I make a correction? If permitted to enter by invoking clause 4 it pays very close to eight cents a pound duty.

Mr. STEWART (Edmonton): Of course, it is difficult for anyone to grasp all the intricacies of the complicated tariff duties under the administration of this government upon any commodity entering Canada. But whether it comes in under a duty of eight cents or five cents a pound is not the point. The point I make is this, that the promise which the Prime Minister and the Conservative party made in 1930 to the agriculturists of Canada—

Mr. BENNETT: Has been substantially kept.

Mr. STEWART (Edmonton): Yes, in some instances it has. The promises affecting manufacturing have been more than kept.

Mr. BENNETT: And with respect to butter too.

Mr. STEWART (Edmonton): But I say to my hon. friend that the moment the farmer gets a chance to make a few extra cents, then butter is at once admitted and allowed to come into competition with the home product, and that must of necessity keep the price down.

Mr. BENNETT: It has not kept the price down, to start with.

Mr. STEWART (Edmonton): I take issue with my hon. friend on that statement.

Mr. BENNETT: All you have to do is to read the figures.

Mr. STEWART (Edmonton): Then for what reason does it come in? My hon. friend will say because it is required. But every pound that comes in has a depressing effect on the price in Canada. That is exactly the

argument my hon. friend uses himself, in reverse, and that he used when he was pleading for the support of the electorate in this country in 1930.

Mr. BENNETT: Surely the hon. gentleman knows, if he looks at the figures, that the importations of butter into this country prior to 1930 and in 1930 were enormous. The trifling importations during the last few months have been to meet a demand that Canadian producers could not meet and the prices are not lower.

Mr. STEWART (Edmonton): That is a specious argument.

Mr. BENNETT: It is a fact.

Mr. STEWART (Edmonton): It is coming in when our price is two cents higher than the London and New York price, as quoted by the minister himself.

Mr. WEIR (Melfort): Not two cents, more than two cents.

Mr. STEWART (Edmonton): So much the better. Hon. gentlemen opposite were complaining in 1930 of the importations of butter into Canada when the price was very much higher than it has been ever since this government came into office.

Mr. WEIR (Melfort): It was also higher in New York at that time.

Mr. STEWART (Edmonton): May I say to hon. gentleman opposite that if they are going to make the tariff fight for the farmer, then for heaven's sake let the farmer have his own market and let the price go where it would go without these importations. You cannot argue in one breath that the importations do not depress the price, and in the next breath that importations are necessary because we have a shortage of butter. The minister himself admitted that owing to a fairly large surplus piling up last fall, we shipped butter to the old country at a loss to the brokers engaged in the business. And now when the farmer has a chance to make a little money, lo and behold we allow the importation of Australian and New Zealand butter. It is mighty amusing to sit here and watch the performance of this government trying to justify their measures from day to day in the light of what they promised to do for the people if returned to power. If anyone can name any manufactured article that is allowed to enter this country in competition with the goods manufactured in this country and that does not pay a very heavy duty, plus dumping duty, sales tax and everything else, I should like to hear what it is.

[Mr. C. A. Stewart.]

Mr. HANSON (York-Sunbury): Will the hon. gentleman allow me to name such an item—men's boots and shoes from Northampton.

Mr. YOUNG: With a duty of 40 per cent.

Mr. HANSON (York-Sunbury): They are not paying 40 per cent.

Mr. YOUNG: What are they paying?

Mr. HANSON (York-Sunbury): Nothing like 40 per cent, and the factories in my town are suffering from this English competition.

Mr. BENNETT: And rubber goods from Singapore.

Mr. WEIR (Melfort): Just a few words in connection with the dairy industry. The hon. member for Terrebonne (Mr. Parent) in his speech compared the dairy industry of Canada with the dairy industry of Australia, New Zealand and other countries, and gave figures to show that there had been an increased export of butter and dairy products from New Zealand and Australia and a decreased export from Canada, and on that, and on that alone, he based his argument that the dairy industry of Australia and New Zealand was showing greater progress than the dairy industry of Canada. The fact of the matter is that dairy production in Canada has not decreased as he would have led us to believe by quoting exports, but has increased, and increased very considerably in the past two or three years. Not only that, but this increased production, together with the normal production, has brought a price 14 cents a pound higher in Canada at the present time than the price obtained for the Australian product on the world market, and I maintain that that difference of 14 cents a pound on the total production of butter in Canada is due solely to the action of this government in carrying out its promise that it would make the tariffs fight for the dairy industry of Canada and for the farmer.

Mr. YOUNG: A little while ago the minister explained that the high price was due to an early winter and a shortage of feed.

Mr. WEIR (Melfort): The hon. gentleman knows that the price of butter in this country went up because of a certain degree of scarcity due to the conditions he has mentioned, but that would have been of no advantage to the dairy farmers if it had not been for the protection they had been given.

Mr. VALLANCE: There are two statements which the minister made which I should like him to explain. First he made the state-

ment that the Canadian price is 14 cents a pound higher than the price for the Australian product on the world market. Secondly, he stated that there was a difference of 18 cents a pound between the export market and the Canadian market.

Mr. WEIR (Melfort): That is right, in April, 1933.

Mr. VALLANCE: The highest duty on butter entering this country is eight cents a pound. In view of the higher price, why do the importations not come in? Are there any other orders or regulations that prohibit the importation of butter into Canada outside of the tariff regulations?

Mr. WEIR (Melfort): The explanation is very simple. The production of butter increases very much in Canada in April, and those interested in the butter trade could not have foreseen that the normal increase would not take place at that time, and therefore they would not take the chance of shipping butter three or six weeks ahead to arrive in Canada at a time when there was normally an increased production of butter in this country and when the price would naturally be expected to go down. Butter fat at the same time made almost the same increase in price as butter. If butter could have been landed here by aeroplane in twenty-four hours it would have come in, but due to the fact that the people in the butter trade could not foresee the condition that arose they were not in time to take advantage of it.

Mr. VALLANCE: I suppose there was no butter in bond in Canada at that time.

Mr. WEIR (Melfort): If there was butter in bond in Canada at the time and it was not released, that was all to the advantage of the dairy farmer in this country.

Mr. VALLANCE: It does not take six weeks to land butter in Canada from Great Britain. What were the regulations that prevented those importations? Very large consignments of Australian and New Zealand butter have been shipped into this country from Great Britain, as well as large consignments of merchandise. Britain is always prepared to ship butter or any other commodity into the best possible market on short notice. The minister has not yet convinced me as to the 14 to 18 cents difference in the price of butter, although I must take his word for it.

Mr. WEIR (Melfort): That is the price differential; it is the price actually paid on the market.

Mr. POULIOT: If the 1930 promises with regard to butter have been substantially kept, there is little substance in the adverb.

Item agreed to.

Cold storage warehouses, $32,000.

Mr. POULIOT: Complaints were made this afternoon that the farmer receives very little for his butter, the principal benefit going to the middleman. Why does not the government increase the vote for cold storage warehouses so that the farmer may put his butter into cold storage and not be under the control of the wholesalers in Montreal, Toronto and other large cities? The farmers are like slaves, and I should like to see them independent on a cooperative basis. The government should assist them to have their own cold storage plants in order that they may obtain better prices in the winter time. The farmers have been exploited and at the present time an investigation is being carried on in this building in this connection. This vote has been cut down from $140,000 to $32,000 when it should be five or ten times as large. I hope the minister will consider this suggestion when the supplementary estimates are being prepared.

Mr. WEIR (Melfort): We believe that there is sufficient cold storage to take care of the butter requiring to be stored. With the exception of a recent request, every request has been for fruit cold storage facilities. This vote is sufficient to take care of all commitments which have been made.

Mr. BOTHWELL: How does the reduction arise?

Mr. WEIR (Melfort): There has been a decrease in the demand for grants.

Mr. MOTHERWELL: This vote has been cut seventy-five per cent, yet the minister has stated that there is sufficient to meet commitments. I assume that means that the people are so hard up that they cannot afford to pay their share of the construction of these buildings.

Mr. WEIR (Melfort): I would not say that. My understanding is that there is sufficient accommodation. In cooperation with the various provinces a survey has been made as to storage requirements. Ontario gives practically the same proportion as we do, and the other provinces make grants, so there is not a very heavy load on any organization which wishes such facilities.

Mr. MOTHERWELL: Am I to understand that there have been no applications for storage facilities?

Mr. WEIR (Melfort): We have received some since this item was prepared and they will be taken care of in the supplementary estimates.

Mr. STEWART (Edmonton): What was expended last year?

Mr. WEIR (Melfort): $115,872.35.

Mr. MOTHERWELL: Have there been any new cold storage plants erected in the last two or three years?

Mr. WEIR (Melfort): Yes. One was erected for the Berwick Fruit Company, Berwick, Nova Scotia; one for the Thedford Cold Storage Company, Thedford, Ontario; and plants at Forest and Woodstock, Ontario.

Mr. MOTHERWELL: When the matter of reductions was up before, the minister took the ground that they had been made possible this year and the year before by certain reorganization but that no impairment of service had occurred. I expressed some doubt that that could be done, and I should like to know if there has been any reorganization in connection with this item.

Mr. WEIR (Melfort): There has been no reorganization in this case. There has been a reduction in office rentals, and travelling expenses have been less. There has been less demand for iced car service through the increased use of trucks.

Mr. MOTHERWELL: Have there been some services eliminated?

Mr. WEIR (Melfort): No.

Mr. MOTHERWELL: The grant to the National Dairy Council was eliminated.

Mr. WEIR (Melfort): At their request.

Item agreed to.

Fruit, including grant of $4,500 to Canadian Horticultural Council, $425,053.

Mr. YOUNG: This is a large item and perhaps it should stand.

Item stands.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Monday, March 19, 1934

The house met at three o'clock.

CANADIAN PACIFIC RAILWAY

CORRESPONDENCE RESPECTING $60,000,000 LOAN GUARANTEE BY GOVERNMENT

Right Hon. R. B. BENNETT (Prime Minister): I desire to lay on the table the correspondence between the government, the Canadian Pacific Railway Company and the Canadian banks with respect to the guarantee by the government in regard to the loan of $60,000,000 to the Canadian Pacific Railway Company. At the same time I offer my apology to the hon. gentleman for the delay in presenting these papers, which was due to certain papers being mislaid.

RADIO BROADCASTING COMMITTEE

Hon. RAYMOND D. MORAND (East Essex) moved that the first report of the special committee to inquire into operations of the radio commission under the Canadian Radio Broadcasting Act, 1932, be concurred in.

Motion agreed to.

SUPPLEMENTARY ESTIMATES, 1933-34

A message from His Excellency the Governor General transmitting further supplementary estimates for the financial year ending March 31, 1934, was presented by Hon. E. N. Rhodes (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

BILLS OF EXCHANGE ACT

Hon. E. N. RHODES (Minister of Finance) moved for leave to introduce Bill No. 37 to amend the Bills of Exchange Act.

He said: Mr. Speaker, this bill proposes two amendments to the Bills of Exchange Act. The first substitutes the name Remembrance Day for Armistice Day, in conformity with the legislation that was passed in 1931. The second amendment proposes to authorize the closing of branches when civic holidays are declared.

Motion agreed to and bill read the first time.

DAIRY INDUSTRY ACT

Hon. ROBERT WEIR (Minister of Agriculture) moved for leave to introduce Bill No. 38 to amend the Dairy Industry Act.

He said: There are two principal changes to be made in the act. One is a change in the definitions to keep the act more in line with modern practices and the other is an extension of the act at the request of a number of the provinces.

Motion agreed to and bill read the first time.

DESTRUCTIVE INSECT AND PEST ACT

Hon. ROBERT WEIR (Minister of Agriculture) moved for leave to introduce Bill No. 39 to amend the Destructive Insect and Pest Act.

He said: There is a very slight change to be made in this act. The proposed amendment, which is regarded as an interpretive section, does not affect the intent of the present section but is necessary in order to enable the various provinces to deal with the control of pests in their respective territories, and is being made at their request.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

QUOTA ON CANADIAN CATTLE

*Mr. MOTHERWELL:

1. What were the conditions of the original cattle quota imposed on Canadian cattle by the British government?
2. What are the adjusted cattle quota terms and conditions at present in vogue?
3. Is there anything definite yet as to the cattle quota that will prevail during the last half of the year 1934?
4. Does the British government under the terms of the Anglo-Canadian Ottawa agreement impose such cattle quotas without the consent of the government of Canada?

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I think it should be said with respect to this question that the matter is under consideration. The quota as fixed was arranged by the High Commissioner for Canada with the British Government, and negotiations are now pending for the purpose of determining what the future action shall be. But the quota as it stands is that we should ship the same number of cattle as we shipped in the first six months of 1933—and there the matter stands at the moment.

GOLD PREMIUMS

Mr. RAYMOND:

How much has the government paid in premiums on gold since it has prohibited exportation?

Mr. RHODES: Since October 19, 1931, the marketing of non-monetary gold, including the current production of the Canadian mines, has been done through the medium of the government which has distributed to the mines and owners of such gold the net proceeds of the sale abroad.

Such sales to February 28, 1934, have realized $32,069,743 in excess of the standard value established by the Currency Act, after deducting all costs incidental to the export and sale.

ONION LAKE, SASK., MEDICAL DOCTOR

Mr. McINTOSH:

1. When was Dr. J. T. Hill appointed medical doctor at Onion lake, Saskatchewan, Indian agency?
2. What has been his salary since appointment to date?
3. When was Dr. J. T. Hill appointed Indian agent at Onion lake?
4. What has been his salary as agent since appointment to date?
5. What are the names and present salary of other members of staff at this agency?
6. Are any salaries herein subject to discount?

Mr. MURPHY:

1. April 2, 1923.
2. Salary on appointment $2,000 plus house, fuel, light and rations. Increased to $2,120 April 1, 1927.
3. July 1, 1932.
4. $1,600.
5. D. H. Cameron, clerk, Indian agency, $1,200 plus house, fuel, light and rations; R. C. Hamer, Indian farming instructor, $960 plus house, fuel, light and rations; F. M. Warne, Indian farming instructor, $1,200 plus house, fuel, light and rations; G. M. Malloch, Indian farming instructor, $960 plus house, fuel, light and rations; D. Vanasse, Indian interpreter, $900 plus house, fuel, light and rations; A. E. Peterson, dispenser, $120.
6. All salaries shown above and value of allowances are subject to the provisions of the Civil Service Salary Deduction Act of 1932.

*RADIO BROADCASTING—CANADIAN BROADCAST

Mr. MacLEAN:

1. How many broadcasting stations in Canada are using the programs of the Canadian Radio Broadcasting Commission?
2. How many broadcasting stations in Canada are being paid for this service?
3. What amount of money was paid to each station since the inauguration of the service up to the end of January, 1934?
4. Are any broadcasting stations in Canada using the programs of the Canadian Radio Broadcasting Commission and giving the same service as the other stations, but, not paid for said service; if so, how many?
5. Are all stations that have a broadcasting licence compelled to use the programs of the Canadian Radio Broadcasting Commission whether they are paid for this service or not?

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I suggest to the hon. member that that question be dropped. The select committee set up for the purpose of dealing with problems arising out of the administration of the Broadcasting Act will deal with just such matters as this one, and to discuss in this house a question which may be raised there is not conducive to the best interests of the service which the hon. member doubtless wishes to assist. I suggest, therefore, that the question be dropped, and that he deal with the matter through the committee.

Mr. SPEAKER: The question is dropped.

IMPORTATIONS OF BUTTER FROM NEW ZEALAND

Mr. SEGUIN:

1. What quantity of butter from New Zealand entered Canada each year for 1928-1929-1930?

2. What quantity of butter entered Canada each year for 1928-1929-1930 coming from Australia or any other country?

Mr. STEVENS:

1. The quantity of butter imported (entered for consumption) into Canada from New Zealand for the calendar years 1928, 1929, and 1930, was:

Calendar years	Pounds
1928	16,124,641
1929	33,764,462
1930	37,012,400

2. The quantity of butter imported (entered for consumption) into Canada from Australia, or any other country, for the calendar years 1928, 1929, and 1930, was:

	Calendar years		
	1928	1929	1930
Imports from	pounds	pounds	pounds
Australia	629,944	274,400	1,422,512
United Kingdom	8,682	1,729,216	111,676
United States	38,352	148,051	58,922
Alaska	....	365	....
Bermuda	....	....	45
Fiji	....	7,840	....
Italy	37	....	....
Jamaica	....	33	....
Netherlands	....	2,205	....
Newfoundland	....	848	500
Syria	....	829	....

NEW RICHMOND, QUE., WHARF

Mr. MARCIL:

1. Has the Minister of Public Works been informed that the departmental wharf at New Richmond, Bonaventure county, is badly in need of repairs and until it is put in condition, pulpwood has to be carried to Maria or Carleton for shipment?

2. If so, will any action be taken shortly in this respect?

[Mr. MacLean.]

Mr. STEWART (Leeds):

1. It is reported to the department that the public wharf at New Richmond is in need of extensive repairs, and that to enable pulpwood or lumber to be shipped over it extensive dredging would be required in addition to the cost of the repairs.

2. Matter under consideration.

UNEMPLOYMENT RELIEF—ST. BENOIT JOSEPH LABRE D'AMQUI

Mr. LaRUE:

1. Has the federal government received from the government of the province of Quebec a request for the carrying out of additional relief works in the village and parish of St-Benoit Joseph Labre d'Amqui?

2. If so, on what date and what was the amount involved?

3. Has the federal government complied with that request?

4. If so, on what date, and on what date was the government of the province of Quebec advised of such compliance?

Mr. GORDON:

1. Yes.

2. February 19th, 1934, $6,000.

3. Yes.

4. The schedule of works referred to was approved on behalf of the dominion by order in council P.C. 468 dated March 5th, 1934, and the province so advised on March 8th.

CANADIAN NATIONAL RAILWAYS OPERATING REVENUES

Mr. McINTOSH:

What are the gross and net operating revenues of the Canadian National Railways for each year since date of organization: (a) for its lines east of Port Arthur and Armstrong; (b) for its lines west of Port Arthur and Armstrong; (c) for its subsidiary lines west of Detroit and Port Huron; (d) for its subsidiary lines in the New England States?

Mr. MANION: Mr. Speaker, we have not that information in our department, but the whole information which we received is in the annual report which is to be tabled shortly. If the hon. member will look at the annual report, and if he does not get the information he desires he may write me a letter which I could pass on to the railway management.

Mr. McINTOSH: I thank the minister.

CANADIAN NATIONAL RAILWAYS—OUTSTANDING BONDS

*Mr. REID:

1. What are the amounts at par value of bonds outstanding on the Canadian National Railways system?
2. What is the total interest payable annually on these bonds?
3. What is the amount of the bonds held by private individuals?
4. What amount of these bonds are held: (a) in Canada; (b) in the United States; (c) in other countries?
5. Are any bonds held by railway corporations in the United States?
6. If so, what amounts are so held?
7. What are the names of the bodies corporate in Canada holding these bonds, and what amount is held by each?

Mr. MANION: The annual report, which I shall table in a very few days, will contain most of this information. If the hon. gentleman will, after looking it over, tell me of any information that he does not find, I shall pass on to the Canadian National Railways such requests as he may make.

UNEMPLOYMENT RELIEF—EXPENDITURES DURING A FIVE YEAR PERIOD

Mr. COTNAM:

How much money has been spent by the Dominion of Canada under the Unemployment Relief Act for the years 1930, 1931, 1932, 1933, and 1934?

Mr. GORDON:

The report of the Dominion Commissioner of Unemployment Relief setting out the federal assistance rendered to provinces and municipalities in their relief efforts, is now in the course of preparation and will be laid as hitherto on the table of the house in conformity with the provisions of the statute as soon as possible after the end of the fiscal year.

UNEMPLOYMENT RELIEF—PEMBROKE, ONT.

Mr. COTNAM:

What amount of money was expended in the town of Pembroke, under the Unemployment Relief Act, for the years 1930, 1931, 1932, 1933, 1934, respectively: (a) by the federal government; (b) by the provincial government of Ontario; (c) by the municipality?

Mr. GORDON:

The Unemployment Relief Act, 1930—(a) $16,248.38; (b) $16,248.36; (c) $32,496.74.

The Unemployment and Farm Relief Act, 1931, and Continuance Act, 1932—(a) $17,877.77; (b) $17,877.75; (c) $32,877.77.

The Relief Act, 1932—(a) $14,669.45; (b) $14,669.42; (c) $10,784.14.

The Relief Act, 1933—(a) $17,591.54; (b) $21,989.39; (c) $13,193.67.

The figures shown under (b) and (c) represent expenditures to which the dominion contributed and are not necessarily the total relief expenditures of the province and municipality.

UNEMPLOYMENT RELIEF—EXPENDITURES IN TOWNSHIPS

Mr. COTNAM:

What amount of money was expended under the Unemployment Relief Act in the townships of Sabine, Lyell, Airy, Murchison, and Dickens, for the years 1930, 1931, 1932, 1933, and 1934, respectively: (a) by the federal government; (b) by the provincial government of Ontario?

Mr. GORDON: No accounts have at this date been received from the province with respect to unemployment relief expenditures in the townships of Sabine, Lyell, Airy, Murchison and Dickens.

TRANS-CANADA HIGHWAY, PEMBROKE-MATTAWA

Mr. COTNAM:

1. What is the total amount of money expended under the Unemployment Relief Act for the construction of the trans-Canada highway, from Pembroke to Mattawa, for the years 1930, 1931, 1932, 1933, 1934, respectively: (a) by the federal government; (b) by the provincial government of Ontario?
2. What was the total amount contributed by the federal government under the Unemployment Relief Act, to the federal constituency of North Renfrew for the years 1930, 1931, 1932, 1933, 1934, respectively?

Mr. GORDON:

1. Accounts received from the province covering expenditures on the trans-Canada highway do not set forth the expenditures by sections.
2. The Unemployment Relief Act, 1930, $16,248.38; the Unemployment and Farm Relief Act, 1931, and Continuance Act, 1932, $17,952.87; The Relief Act, 1932, $15,062.07; The Relief Act, 1933, $17,817.08.

QUESTIONS PASSED AS ORDERS FOR RETURNS

VANCOUVER HARBOUR COMMISSION—GRAIN SHIPMENTS

Mr. MacINNIS:

1. How much grain has No. 2 elevator received and shipped during its operation by the Vancouver Harbour Commission for season 1933-34, until February 15, 1934?
2. What was the total cost of operating No. 2 elevator from September 30, 1933, to February 15, 1934?

3. What was the amount for the following items: (a) payroll; (b) interest on investment; (c) sinking fund; (d) amount chargeable to superintendency and all overhead?

Mr. DURANLEAU: This question stands as an order for return, and I shall table any information I may receive from the harbour commission.

ASBESTOS EXPORTATIONS

Mr. ROBERGE:

1. What was the grand total of asbestos exportations, year by year, since 1928 to date?
2. What were the annual exportations of this mineral product since that date?
3. To which countries were these exportations made?
4. What was the average annual cost of these exportations?

Mr. STEVENS: Return tabled herewith.

TRADE COMMISSIONERS

Mr. McKENZIE (Assiniboia):

1. In what countries does Canada maintain trade commissioners and/or agents?
2. What was the total trade of Canada with each of these countries in 1933?
3. What is the cost to Canada in maintaining each of these commissioners and agents in: (a) salaries; (b) other expenses?

Mr. STEVENS: Return tabled herewith.

LOANS ON LIFE INSURANCE POLICIES

Mr. COOTE:

1. In the case of life insurance companies reporting to the Dominion Government Department of Insurance, what was the total amount of loans on policies in Canada on December 31 in each of the last ten years?
2. What was the total amount of policies lapsed in each of these years?
3. What was the total amount paid to policy holders and beneficiaries in each of these years?
4. What was the total amount of premiums paid by policy holders during each of these years?
5. What was the number and value of ordinary life insurance policies in force in Canada at the end of 1932, or nearest available date, in each of the following classifications: (a) under $1,001; (b) $1,001 to $2,000; (c) $2,001 to $3,000; (d) $3,001 to $4,000; (e) $4,001 to $5,000; (f) $5,001 to $10,000; (g) $10,001 to $20,000; (h) $20,001 to $30,000; (i) $30,001 to $40,000; (j) $40,001 to $50,000; (k) $50,001 to $100,000; (l) $100,001 to $500,000; (m) $500,001 to $1,000,000; (n) over $1,000,000?

GRAIN ELEVATOR TARIFFS

Mr. MacINNIS:

1. What are the grain elevator tariffs in effect for the crop year 1933-34 at: (a) Montreal; (b) Vancouver; (c) Saint John; (d) Halifax; (e) Quebec; (f) Port Arthur; (1) for handling grain from cars or boats; (2) for shipping it out in cars or boats?
2. Were any reductions on the grain elevator tariffs put in effect for handling grain via any of the above ports during the crop year 1933-34?
3. At which of the above grain handling points are there government grain elevators operated by the government or by a board under the government?
4. At which of the ports mentioned in question No. 1 are grain elevators which have been constructed by the government?
5. What is the full capital cost including grain galleries, and all grain loading equipment appearing on the books of the Vancouver Harbour Commissioners, chargeable to: (a) No. 1 harbour board elevator; (b) No. 2 harbour board elevator; (c) No. 3 harbour board elevator?
6. Are any Vancouver harbour board grain elevators leased to private grain firms?
7. If so, to whom are they leased, and what are the rentals per year?
8. Do Vancouver harbour board elevators leased to private firms pay civic taxes on the same basis as property used for a like purpose and privately owned?
9. Are the grain elevator tariffs covering Canadian ports approved by the Board of Grain Commissioners?
10. Has the government or any governmental body paid any civic taxes or any equivalent thereto on the dominion government grain elevator located at Port Arthur, Ontario?

MOTIONS FOR PAPERS

STE-ADELAIDE DE PABOS, GASPE COUNTY, BREAKWATER

Mr. BRASSET:

For a copy of all pay lists in connection with work done on the breakwater at Ste-Adélaide de Pabos, Gaspé county, during the year 1933-34, and also copy of all letters, exchanged between the Department of Public Works and any other person in connection with this said work.

SPIRITWOOD DISTRICT MEDICAL ATTENDANCE

Mr. McINTOSH:

For a copy of all documents or accounts in the Department of Indian Affairs between the department and any person living in the Spiritwood district or elsewhere during the years 1933 and 1934 till the present time, in connection with the medical attendance given to the Witchekan and Chitek Indian reserves, located in the North Battleford electoral district.

SALMON EXPORTS TO UNITED KINGDOM

Mr. NEILL:

For a statement showing the export from Canada to the United Kingdom, both in weights and in money value of: (a) fresh salmon; (b) frozen salmon; (c) canned salmon, each shown separately, for the years 1929 to 1933 inclusive, each year shown separately, and showing

whether exported from the Atlantic coast or from the Pacific. If the unit of cwts. is used, indicate the pounds content, and use the same standard throughout.

MR. AVILA BLOUIN

Mr. GAGNON:

For a copy of all documents, letters, reports of inquiry, orders in council, if any, reports to the federal government or to members thereof, reports to different departments, with respect to the case of Mr. Avila Blouin, of the city of Quebec, who was wounded during the war.

CHANDLER STATION, GASPE, POSTMASTER

Mr. BRASSET:

For a copy of all correspondence, telegrams, and other documents in the possession of the government, dated from August, 1930, to date, respecting the resignation of Georges Molloy as postmaster of Chandler station, county of Gaspé, and the appointment of his successor.

TARDIF CHANNEL RETAINING WALL

Mr. BOUCHER:

For a copy of all contracts, letters and correspondence between the Minister of Public Works, the deputy minister, the engineers and officials of his department and all other persons, from 1930 to date, respecting the retaining wall along Tardif channel, at Notre-Dame de Pierreville, county of Yamaska.

COAL INQUIRY CORRESPONDENCE

Mr. RAYMOND:

For a copy of all correspondence exchanged between the Hon. W. A. Gordon, Minister of Labour, and the Attorney General of the province of Quebec, the Hon. L. A. Taschereau, concerning the inquiry held during the years 1932-1933 by Fred McGregor, registrar under the Combines Investigation Act, regarding the importation and prices of English coal.

TARIFF BOARD

REFERENCE TO SUPREME COURT OF RIGHT TO MAKE RULINGS ON POINTS OF LAW AND FIXING OF VALUES

On the orders of the day:

Hon. W. D. EULER (North Waterloo): Mr. Speaker, I should like to repeat a question which I addressed to the government last Monday based upon a report in the Ottawa Press which stated that the government had decided to refer to the Supreme Court the question of the right of the tariff board to make rulings in points of law and with regard to the validity of the fixing of values on goods imported under the British preference. I asked then whether the report was accurate, and I received from the Prime Minister a rather non-committal reply. In this morning's paper the report is repeated, stating that the government has so decided to refer such matters to the courts, and I should like again to-day to ask the Prime Minister whether or not he can give a more definite reply in the matter.

Right Hon. R. B. BENNETT (Prime Minister): The questions to which the hon. gentleman refers are obviously questions of great difficulty. As a result of the appeal that was taken before the privy council, and which the privy council heard and reserved judgment, the formal conclusion that will be arrived at by the privy council will be communicated to those concerned, to the public and to this house immediately they have been finally settled. There have been many very difficult matters to be considered, and while in a broad way a conclusion has been arrived at I have no conclusion to communicate to the house at this moment, but I trust that some day during the present week I may be able to do so.

PENSION ACT AMENDMENTS

On the orders of the day:

Mr. F. G. SANDERSON (South Perth): Mr. Speaker, about three weeks ago I directed a question to the Minister of Pensions and National Health (Mr. MacLaren). The question was this: Is it the intention of the government this session to bring down any amendment or amendments to the Pensions Act. The reply of the minister at that time was that the matter was under consideration. Has he any further information to give to the house.

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): The answer is in the negative.

DOMINION ELECTIONS ACT

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I should like to ask the Prime Minister if it would be possible to have the legislation amending the Dominion Elections Act introduced some little time before the end of the session, and if possible before the Easter recess.

Right Hon. R. B. BENNETT (Prime Minister): It will not be possible to introduce the legislation before the Easter recess, but as soon as reasonably may be thereafter it will be submitted. At one time I thought it might be desirable to introduce a skeleton bill and have it referred to the committee on privileges and elections, but in view of the fact that so many members of the house are busily engaged on other committees I thought

it more desirable that we should prepare the legislation, and it will be submitted to the house as early as possible after the Easter recess.

Mr. MACKENZIE KING: Would it be asking too much if I asked the Prime Minister, if without going into any detail he could indicate the lines of the proposed legislation?

Mr. BENNETT: I think the right hon. gentleman himself would say that that is a rather unusual request.

Mr. MACKENZIE KING: It is, yes.

CANADIAN NATIONAL RAILWAYS

USE OF CANADIAN PACIFIC TRACKS AND PREMISES AT QUEBEC

Hon. R. J. MANION (Minister of Railways and Canals) moved the third reading of Bill No. 25, to ratify and confirm an agreement respecting the joint use by His Majesty and the commissioners of the transcontinental railway of certain tracks and premises of the Canadian Pacific Railway Company at Quebec.

Mr. JEAN FRANCOIS POULIOT (Témiscouata): Mr. Speaker, I add my protest to that of the hon. member for Quebec East (Mr. Lapointe) and other hon. members who have spoken on this matter. The bill at first renewed the agreement for a period of 999 years, thirty years more than the age of Methuselah. It is a binding contract for a long period of years, and if I remember well the Minister of Railways himself suggested in reply to one hon. member from British Columbia that he was ready to accept an amendment making the term 99 years.

Mr. MANION: If my hon. friend will permit me, he is mistaken as to the bill. It was another bill that ratified an agreement for 999 years, and that bill has already received its third reading.

Mr. POULIOT: I am very glad that the minister has rejuvenated the contracts that existed between the Canadian National and the Canadian Pacific. But may I draw to your attention, Mr. Speaker, the fact that the mail contract with the Canadian Pacific Railway represents a much larger amount than the contract with the Canadian National.

There is another matter which I wish to draw to the attention of the house. During the campaign the right hon. the Prime Minister, referring to the two main railways in this country, very often used the phrase "Amalgamation never—competition ever." Those words we have not forgotten. We trust that there will not be an amalgamation

of both these railways because competition is essential. I am not going to repeat what has already been said on that subject except to say that I regret that legislation. I believe it is wrong, and as I have already said, I add my protest to those that have already been made in this house on the matter.

Motion agreed to and bill read the third time and passed.

SUPPLY—PUBLIC AND PRIVATE DEBT

Hon. EDGAR N. RHODES (Minister of Finance) moved that the house go into committee of supply.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, before you leave the chair I desire to take the opportunity which this occasion affords to bring to the special attention of the house the matter of the heavy burden of debt, both public and private, which perhaps will never be paid either in this or in any other country, and I desire also to make suggestions in regard to possible ways of dealing with that heavy burden of debt. I shall deal with the question particularly from the point of view that the load of private debt as it now rests upon the people of Canada will greatly retard recovery from the present depression, and so long as that burden exists not only will recovery from the depression be difficult but no permanent prosperity is possible. I realize, of course, that it is only by the will of the government that any action can be taken in this house—

Mr. BENNETT: Perhaps the hon. gentleman will not mind my interrupting him for one moment. This matter was discussed by this house, Mr. Speaker, on an amendment to the address in reply to the speech from the throne. I have no desire to limit the observations which I always listen to with pleasure of the hon. member for Wetaskiwin, but I do not think the time of the house should be taken up twice discussing the same matter at the same session.

Mr. IRVINE: On the point of order, Mr. Speaker, before you give your ruling, I would like to draw attention to the ruling you yourself made on March 31, 1931. That ruling I think will very clearly show that I have the right on the motion for supply to raise a discussion of the question I am now bringing to the attention of the house. The ruling to which I refer was made in connection with a motion which was put forward by the hon. member for North Winnipeg (Mr. Heaps). He attempted in the first instance to move the adjournment of the house for the purpose

of discussing a certain matter, and he moved a resolution, but the right hon. the Prime Minister rising to a point of order pointed out that the subject matter of the resolution had already been dealt with by the house. But on that same day, when the motion for supply was made a little later on, the hon. member then brought the same matter up and again the objection was raised, but he was allowed to proceed with his discussion on the ground that he was not making any particular motion but was discussing a grievance before going into supply, and not only did he discuss the question but a very prolonged discussion took place.

I submit, sir, that we have a parallel case before you to-day, and it is inconceivable to me how the ruling you made on the date referred to could be altered on this occasion. Furthermore, let me say that I am not moving any motion to-day. I am simply taking advantage, as I said at the outset, of the opportunity which I understood was afforded to every member of this house before going into supply to present a grievance of the people I represent in regard to one of the most difficult problems they have to encounter to-day.

Mr. SPEAKER: The hon. member can proceed in the meantime and I will give a ruling later.

Mr. IRVINE: When the right hon. the Prime Minister raised the point of order I was about to say that I realized it is only by the will of government that any action can be taken in this house with respect to either the question I have suggested or any other. It is not my purpose to-day to make an appeal exclusively to the government for I realize that the question of debt reduction implies the principle of contractual obligations and that is almost sacred to the economic system under which we now live. Before any action as drastic as that which would be necessary to be taken in respect to debt can be taken I imagine that we would have to have the almost unanimous support of every party and group in this house. I propose to make several suggestions as to how the burden of private debt may be dealt with and also indicate the principle upon which I desire to make my plea. I shall not move any amendment with respect to the matter because, as every hon. member knows, an amendment to the motion to go into supply is always regarded as a motion of want of confidence. Were I to move an amendment I would be defeating the object which I have in view rather than promoting it. If my intent in this matter were purely political, no doubt that is what I would do, but it is not. While the present government along with all other previous governments must share the responsibility for not having changed the debt creating system, it cannot be charged with originating that system nor can we hold the present government responsible for debts which were contracted before it came into office. For these reasons, and also because the burden of debt is so heavy and so universal in its blight and its removal so fundamental to the recovery of this country from the great depression, I consider that this question should be dealt with without any blame being placed upon or favour granted to any party or group in this house.

The farming and labouring classes have suffered more than any other class during the present depression, chiefly because their incomes have dropped more drastically. While I mention these classes particularly I do not wish it to be understood that I am asking for legislation which would apply only to them. I mention them because I understand their position better and because it is my particular duty to represent them in this house. Our professional and business men are also overburdened with debt and their positions should also be taken into consideration. My proposal is that debt be reduced so that it may bear the same relation to the prive level which it did when contracted and that interest should be wiped out completely from the time the price level dropped precipitately until it again reaches the point where the major portion of the debt was incurred. Moral principles are very seldom applied, either nationally or internationally, except in rare cases when it is necessary to bolster up obviously immoral practices, nevertheless I do not propose to leave it out of consideration.

Mr. MORAND: Would the hon. gentleman be prepared to reinstate the debts when prices come up again?

Mr. IRVINE: If my hon. friend will wait a moment, he will find that I shall answer his question in my speech.

I should like to examine the principle upon which the suggestions I am about to make should be considered. A contraction of a debt surely presupposes the stability of the income with which it is to be paid. If a man contracts a debt when his income is at a certain figure, surely it is understood that his income, whether from salary, from wages or from prices received for goods produced by him for sale, shall be fairly stable. It is absurd to expect a man to repay a debt when the basis upon which it has been contracted

has been changed. The income with which a debt is to be paid is just as sacred as the contract to pay the debt. For if the income has been reduced or destroyed it is absolutely impossible to fulfil the contractual obligation. To create a debt and endow it with reproductive powers and then deflate and destroy the income of the debtor so that his property goes to the creditor is one of the greatest crimes which ever received the endorsation of the wise and the good. Where a debtor's income has been reduced by his own will, by his own carelessness, by his own inefficiency or even by misfortune, it may be both equitable and legal to hold him to his contractual obligations, but where his income has been reduced drastically or destroyed completely by a universal economic condition which he was personally unable to alter, then I suggest that it is only fair and reasonable that the contract should be reconsidered and readjusted to the new circumstances. Such debt adjustments should be made, particularly when the creditor stands to benefit from a calamity which has become not only national but as wide as civilization itself. Such adjustments become increasingly important when the creditor class has had a great deal to do, perhaps unwittingly, with bringing about the stoppage of the economic machine which has plunged the debtor deeper and still deeper into debt.

It is common knowledge that the farming and labouring people are almost in a state of bankruptcy at the present time. For example, let us consider the case of a mechanic working in the railway shops. Six years ago he put his savings into a home, costing about $4,000. After fifteen years of work he had managed to save $2,000. In order to purchase his home he had to borrow $2,000 at eight per cent interest. Assuming that he was able to save at the same rate for the next fifteen years, he would be able to save another $2,000 but he would have to pay $160 annually as interest on the $2,000 he had borrowed. His average savings for the first fifteen years had been only $133 per year so that the only way he could carry on is to save something from what he used to pay for rent in order to offset the extra interest he must pay. He starts out on that proposition but pretty soon he finds that his taxes are increased. Bye and bye he is put on short time and his income is reduced by one-half although the interest and taxes are still going up and being added to the bill he has to pay. Soon afterwards he is discharged from his position and has no income at all. After six years he finds that instead of owing $2.000, he owes $3,000, but he has no work and little chance of getting any. It must not be forgotten that he is six years older and even though work were plentiful, it is altogether likely that a younger man would take his place. Such a man stands to lose everything and something should be done by this parliament at this session to assist our people in that position.

Let me turn to the farmer's position. Everyone realizes, surely, that farmers to-day cannot pay the debts which they contracted from fifteen to four years ago, from the prices which they are now receiving for the products they have to place on the market. Not only are the farmers not able to pay, it is impossible for them to pay. Those of my colleagues who may follow me in this discussion will place before the house comparative figures showing the drop in the capital values of agriculture as a result of the drop in the prices of agricultural commodities. Such figures will also show the impossibility of carrying on with things as they are, and will indicate the extent to which debts should be reduced.

I am reasonably certain that the majority of the members of this house expect the return of prosperity, and in such a hope they rest content, that when it does come back both farmers and labour people and others as well will be able to pay their debts as usual. I do not desire to enter into any argument at this time as to the possible return of the elusive nymph prosperity. For the sake of this discussion I am going to assume that she does come back. What then? She will come back to discover that the debtor's debt is larger than it was when she left; she will discover that the debtor is very much older and less fitted to meet the great struggle which he must enter if he is to survive; and we must all realize that the visit of the nymph the next time may be of much shorter duration than the last.

But there are other factors. For instance, it will take the added income of several years of prosperity to bring the farmer's stock and equipment to that point of efficiency at which it stood when the depression started, without paying anything at all on debts. Let me point out, before I pass on, one other consideration in respect to the farmer's position, and that is that the prospects of marketing for the farmers of Canada are less hopeful at this moment than at any other time in the history of the dominion. The capacity of human beings to consume certain commodities may be without limit, but their capacity to consume foodstuffs must be limited by the capacity of the human stomach.

There is undoubtedly an oversupply at this moment of farm produce; not only so, but we have both the potential and the actual capacity to increase very much more that oversupply. So much is this so that steps are being taken to reduce production. And let it not be forgotten that from now henceforth the economic burden of agriculture will be all that it can bear, without assuming the pyramided debts of several decades on top of present obligations.

Let me turn then for a moment to the common justice of the situation. Is it too much to ask that mortgage companies, bondholders and banks should assume their fair and equitable share of the economic losses which the people of Canada have sustained since the depression began? Is it fair that the income of people who receive wages, or of farmers who receive prices for their commodities should be less stable than the income of those who are paid interest on interest-bearing securities? Not only is the farmer's and labourer's income very much less secure, but the drastic fall in price levels, which paralyzed agriculture and increased unemployment and almost destroyed the purchasing power of the great masses of the people, increased correspondingly the incomes of those who receive fixed payments in the form of interest charges, because their income could buy very many more goods when the price level was low than could be bought with the same income previously. Surely therefore it is not unreasonable to ask that we reduce debts to the debtors of Canada to-day by as much as the creditors have gained through deflation, or by as much as the farmers and labour people have lost through the drop in wages and in the prices of agricultural products.

There may be some who will argue that debts will adjust themselves by the old favourite route of bankruptcy. Let me suggest that that course, no doubt inevitable in many cases if things go on as they are, is too haphazard, too unfair, too slow, too tragic, too disastrous. The situation is so serious in respect to debt at this moment that it demands a courageous, firm and immediate national policy. Apart altogether from the purely human factor of the matter and of common justice, recovery under the present debt pressure will be very much delayed if indeed not entirely prevented; for if farmers and labourers were to earn sufficient, under growing recovery, to escape foreclosure, which is all that they can expect even if prosperity does return, their money should not be allowed to flow into that stagnant pool, because money that is paid for debt in times of depression is not reinvested, there being few opportunities sufficiently attractive to entice the investor. Therefore all debts paid during a depression shorten further the purchasing power of the people and result in further deepening the depression.

President Roosevelt, with his NRA and central bank, has so far failed to tap that stagnant pool and make it flow into the channels leading to consumption. I say therefore that even if we think that prosperity will come back and that debts will be paid it is essential that reductions should be made, because if we allow debts to be paid at the present juncture it will further swell the amounts of money which the bankers say they have and cannot lend because there is no safe demand for such loans. I suggest that if it were not for the anxiety of our creditors to protect their old investments we should very soon see a quickening in the economic and business life of the dominion.

Now there are various methods by which debts might be reduced, and I intend to mention some of them. Some of my colleagues will follow with examples from other countries indicating the extent to which such countries have reduced debts, and the methods they have adopted in doing so. To begin with, I propose that we wipe out interest entirely for the period of the depression, beginning at the date when the price level slumped precipitately and continuing from that period, until our price levels rise to bear the same relation to our debts that they had when the debts were contracted. The power to do that rests of course entirely with this parliament. There may be some constitutional doubts as to whether the power to reduce debts remains with the provinces or with this house. From my experience in listening to debates on the constitutional question in this parliament, it appears to me that the only way we can settle the constitutional doubt is to act and then allow the courts to decide the matter at leisure. Whatever course may be taken, let it not be said that both provincial and dominion governments did nothing and simply allowed the people to suffer because they could not decide among themselves which of the two had power to act. If it be clear which has power to act, let that be stated unequivocally so that the responsibility may fall where it properly belongs. If it be not clear, then let this parliament act and let the courts subsequently decide. Meanwhile the people will get relief and in due time the responsibility and the task will be placed upon the body to which they properly belong.

But in matters of interest I suggest that there seems to be no doubt that the power rests in this parliament. When prices of farm produce dropped, then there was nothing left for the farmer to live on, let alone for him to pay interest on his capital. Is it fair that capital should have the first charge as against the farmer himself? Let us take as an example a farmer who has invested in part his own capital and borrowed the rest. There is no reason that the capital which the farmer risked on his own behalf should be treated differently from that which he borrowed from somebody else. But that is the situation. Surely hon. members will agree that the rights of capital should not be placed before those of the man himself. Let them stand on a basis of equality, if you will, although I think that is unfair. I believe the man should come first, but certainly let not debts come first. The claims of debt surely should not be taken before that of the individual who is struggling to make a living for himself and his family. I regard it as a rrime to compel a man who is unable to provide for his family, to pay interest to bondholders who have been reaping benefits from the depression. I propose, in order that that may be prevented, that all interest should be cancelled for the period mentioned.

With regard to debts which have piled up not only by the adding of interest compounded, but by the great drop in price levels, there are other methods of dealing with that. May I suggest as one method, that a moratorium be placed by this parliament on all past debts and to be removed when the price level warrants. I think it will be agreed that for obvious reasons it is inadvisable for a province to pass such an act, but the federal parliament did pass a moratorium during the war, and it apparently worked fairly successfully. There is more need for a moratorium to-day than during the war. While I am not arguing for this as the method that should be adopted, I mention it as a possible course to be taken and one for which there are ample precedents.

Another method which might be adopted is reflation of currency and credit. This is the most painless way of bringing about the desired result because people understand so little about money that if they get back the same number of dollars they put into the bank they seem to be satisfied regardless of the purchasing power. When the farmers' debts were increased by deflation twice as much as they originally were, the farmers did not know anything about the matter. It was only later they learned that it took two or three times as much wheat to pay the same amount of debt. When a banker gets a dollar, he does not care whether it buys one or two bushels of wheat. What he is concerned with is how long he will have his hands on it and how much interest he will be able to charge for its use. The time has come when the people will insist that the important thing about a dollar is the amount of goods it can buy and I insist that the Canadian dollar in 1934 should pay the debt which a Canadian dollar contracted in 1918. That I claim is common justice and we dare not do other than that.

May I point out that reflation is not to be confused with inflation? The former is increasing the purchasing power until the price level reaches a desired point previously held, whereas inflation is increasing purchasing power beyond the value of goods upon the market, and if that is continued without any control, disaster is inevitable. While I believe a properly controlled reflation would be of great benefit to the debtor class in Canada to-day, I do not now advocate nor have I ever advocated uncontrolled inflation.

Another method by which debts might be reduced is by statute law to cut all debts by a fixed percentage. This I believe to be the honest, courageous, most direct and easiest way to meet the difficulty. I know a government will think very seriously before taking action so drastic and unusual, but the economic conditions of Canada to-day are so drastic and unusual that they must be met with drastic and unusual acts. I do not suggest that the government should assume all the responsibility. Every party in the house should indicate its willingness to take action of that sort in the interest of all the people of Canada. My hon. friends may disagree with the suggestions which I have made and I am prepared to hear the old argument about impracticability. These proposals may be impracticable, although I do not think they are. I shall not argue their merits now, beyond saying that not one of the things I have proposed is nearly as impracticable as it is for us to try to carry on without making a reduction in the personal debts of the Canadian people. Further, the suggestions that I have made have not been offered as cures or rather as solutions of the national problem. They have been offered rather as a remedy for a very sick patient. There is no true remedy for these debt conditions except the introduction of a new financial system on a non debt-creating basis. But I am not married to the suggestions I have made. If hon. members can make better ones, let them make them and gladly shall I accept them.

Let me draw attention particularly to what is to be done. We must bring debts within the limits of the debtor's income. We must compel those who obtain their income from interest-bearing securities to assume their share of the economic loss caused by the great depression. This is the bare minimum of justice and I care not how the government or parliament may decide to do it as long as it is done. It would be easy for me to demand that the government at this moment state its policy with respect to this question. It would be even easier for the government to declare that its policy was one of having nothing to do with altering contractual obligations. But knowing how difficult it is to arrive at a proper policy on a question of this sort and how dangerous it is to have no policy at all, I in all humility and sincerity suggest that if the government has not already decided what it is going to do in this case, it should appoint a special committee of the house representative of all parties, to canvass the whole situation in respect to debt reduction, as to the practicability of reducing it, as to the amount by which it should be reduced and as to the method which should be adopted to do so, and that such committee should report in good time so that action may be taken during this session of parliament. That proposal, I suggest, is reasonable and just.

The situation with which we are now confronted is impossible if debts are not reduced. If debts are reduced not only will it not harm the creditors; it will really assist them, for with their power of controlling money they can make more in a year under prosperity than they are going to lose by the cut in debts which will have to be made. Above all we would give hope to a hopeless people if we took action of this sort. Let the farmers and the debt burdened people of this country realize that the whole nation is going to bear its share of the economic losses that have been sustained and that they are going to have an opportunity of emerging from their present condition; then hope will be revived and recovery speeded up very greatly.

I leave the matter to the wisdom of parliament, repeating only the substance of one thought which I expressed earlier in the course of my remarks. This question of debt, with its urgency and its vital effect upon the nation, is above all partisanship, and I fully believe that every hon. member will so regard it. I conclude by making reference to a remarkable speech delivered in this house a few weeks ago by the hon. member for Labelle (Mr. Bourassa), the fine spirit and appeal of which were felt and responded to readily by all who heard him. He said:

> I submit that neither party would endanger its chances of victory by making some concessions, by trying to create an operating understanding among all parties with regard to a few questions, because thereby they would enhance the confidence of the people in the sincerity of each group, and also do something to restore, what is badly needed, the faith of our people in our parliamentary institutions and in our parliamentary governments.

I regard this matter of debt reduction as one of the matters upon which it might be possible for us to arrive at an operating understanding. If we can do so I believe we will enhance the opinion of the people as to this parliament, because of the good that will be done in a general way to all the people of this country.

Mr. G. G. COOTE (Macleod): Mr. Speaker, before you leave the chair I should like for a few moments to support the request made by the hon. member for Wetaskiwin (Mr. Irvine) that the government deal with this most difficult problem of debts and interest. About a year ago one of the most prominent statesmen and thinkers on this continent, Senator W. E. Borah, made the statement that industry and business were being strangled by fear, by debts, by high interest rates and by the high taxes being raised in an attempt to carry those debts. About the same time Professor Irving Fisher, an outstanding economist of Yale university, said the United States was suffering from the debt disease, coupled with what he termed a dollar disease, or a bloated dollar. Debts in the United States are said to have increased from $115,000,000,000 to $234,000,000,000 during the period from 1920 to 1929. We have no reliable figures for Canada, but I suppose we might safely estimate the total debts in Canada at about $15,000,000,000 to $18,000,000,000 in 1929.

It should be noted that the years during which we had the greatest prosperity in Canada were the years in which we were piling up this immense debt. We had apparent prosperity because we were making use of abundant credit, and under the present system credit is just another name for interest bearing debt. By this time we should have learned also that it is not the size of the debt that matters so much as it is the rate of interest on the debt, together with the price level of goods produced and the level of wages and salaries being paid to the people. So far as wage earners and salaried people are concerned, the interest on their obliga-

tions can only be paid if the salary or wage leaves a margin over their living costs, and I may refer to this a little later when I speak of the ability of the wage earner to pay his debts.

In the final analysis, Mr. Speaker, interest is paid out of production. When prices fall below production costs the payment of interest by producers becomes impossible. That is why for so many years we have advocated in this house a money policy managed so as to maintain stable price levels and stability of employment, as well as of wages and salaries. In the years 1929-30 there occurred an absolute collapse of prices, and in 1931 we in this corner urged the abandonment of the gold standard and the lowering of the value of our dollar in gold countries so as to raise price levels in Canada particularly of export commodities; in other words we urged that we should hold up the price level and in fact restore it to the point at which it stood in 1926. Had this been done at that time I do not think it would be necessary to-day for us to urge the government to take some action looking to the reduction of the debt and interest burden.

Since that time we have not ceased to urge that policy, but so far the government has turned a deaf ear to such proposals. The financial policy of Canada has been one of consistent deflation, with consequent low price levels. This is well illustrated by the fact that in the fall of 1932, wheat was at the lowest point it ever reached since it has been grown in western Canada. Taking 100 as the index figure for 1926, the index figure for field products reached a low of 35 in January, 1933. The index figure for all farm products reached 43 in that month while the index figure for all commodities, or in other words the wholesale price index figure, stood at 63. I think it would be fair to say that the consistent policy of the government has been to maintain our dollar at a high level in New York. The reason given for this policy was to make it easier for governments and others owing money in New York to purchase the foreign exchange with which to meet their liabilities; in other words it was considered to be in the public interest to keep our exchange rate down. This resulted in low prices in terms of Canadian currency for all our exportable products, and these low prices have been the cause of the tremendous volume of unpaid debts, interest and taxes which exists to-day. Surely this is ample justification for us to ask now for national action to reduce interest rates and to deal with this burden of accumulated interest and taxes. We are only asking for justice.

I think at this point it would be quite worth while to quote the Prime Minister himself, speaking at the imperial conference in Ottawa two years ago. I quote from page 116 of the proceedings:

> While nearly all other types of prices have been declining more or less rapidly, we have seen a significant rise in taxes—federal, provincial and municipal—and in interest rates or the cost of capital. The Canadian indicator of the yield on high grade, long term bonds has risen from 93·9 in December, 1930, to 113·2 in May, 1932. In January of this year a high of 119·8 was reached.
>
> Interest charges represent the most important of the fixed or semi-rigid elements in our cost structure. If prices remain on their present level, such charges will constitute an intolerable or almost intolerable burden in many cases. Even if it can be borne, the fortuitous gain to the credit of 40 to 48 per cent in general purchasing power above what he contracted for appears to be a grave injustice.

If we are to give justice to-day I am sure the interest burden should be adjusted to existing price levels. Had we taken the proper action in 1930 to raise prices through our monetary policy; had we allowed the value of our dollar to fall in outside countries it might not be necessary to-day to reduce debts and interest. But failing that action at any time during the past three years it is evident that now we must reduce interest rates and perhaps in some cases write down the debt or reduce the accrued interest.

I should like to make it clear that it is failure to maintain stability of price levels in Canada that makes this action necessary. The currency of Australia was depreciated and interest rates were reduced under what was called the premier's plan. As a result of this, in the fall of 1932, due to the higher price levels caused by depreciation of their currency, and due also to the reduction in interest rates to which I have referred it took only 100 bushels of wheat to pay the interest on a $1,000 mortgage for one year drawn at eight per cent, while in Canada in the same month it took 200 bushels of wheat to pay the interest on $1,000 mortgage drawn at eight per cent.

There is another very good reason for asking for action to reduce debts and interest. It would be good business for Canada to do it. It is universally admitted that a writing down of international debts is absolutely necessary if we are to restore world trade. By the same line of reasoning, if we are to restore business here action should be taken to adjust this internal debt situation. There can be no pros-

perity until some adjustment is made. I think that in the interests of the creditors themselves some action should be taken. It should be taken in the interest of widows and orphans where, in many cases, their income has been stopped, due to the inability of the debtor to pay his interest. Some action should be taken in this connection. I have had several cases brought to my attention of widows, who were dependent upon the interest from real estate mortgages and the rentals from farms, who have been left without incomes during the last two years.

There is also a third reason. I think it is necessary from a national or public standpoint, as well as from a private point of view. Our revenues, which in the years 1928 and 1929 were very buoyant and reached the figure of $455,000,000 have shrunk to $306,000,000 for the year 1932-33, leaving us with a budget deficit of $150,000,000 for last year. Had our revenue remained at the 1928 level our budget would have been balanced in the past year. But since the government refused to adopt a money policy which would restore price levels to the point at which they stood in 1926 or 1928, or anything like it, our budget can be balanced only if there is a large reduction in the burden of interest on the public debt. Interest on the gross debt and guaranteed obligations represents nearly fifty per cent of our budget. The budgets of our various governments throughout Canada, provincial, federal and municipal, reflect the financial position of the taxpayer. In the last four years their ability to pay has been more than cut in two, and in many cases it has absolutely disappeared. Relief for the taxpayers has become imperative, and this can be given only if we are prepared to take action to reduce interest rates.

I wish now to deal with the question of the ability of our people to pay taxes and interest. After all, if this interest is going to be paid it has to come from the great mass of taxpayers. I wish first to deal with the ability of the wage earners and salaried people to pay, and as an example I shall turn to our own Canadian National Railways. In 1929 these railways gave employment to 111,000 people, and in 1932 to only 77,000. In the meantime 34,000 had become unemployed and had lost all ability to pay. In 1929 the wages paid amounted to $177,000,000 and in 1932 they were only $106,000,000, so that there is a reduction in wages in this one institution alone of over $70,000,000. On the other hand during those three years the interest paid by this country on the railway bonds increased from $45,000,000 to $57,000,000. That is an increase of $12,000,000. If hon. members will compare the figures of the year 1923 with those of last year they will find the increase is very striking. In those years the increase in the interest bill amounts to $22,000,000, while in the same years wages declined by $52,000,000. This is probably a very good illustration of what happened in regard to the wages and salaries received by the people in Canada generally.

I want next to deal with the paying power of agriculture, and in this connection I should like to remind the house that during the war the federal debt increased approximately seven times. Clearly, the larger part of our direct federal debt consists of war loans. Sir Thomas White, Finance minister at the time of the war, is reported to have said in connection with the flotation of one of the last victory loans that if these loans were ever to be repaid it would be from the top six inches of Canada's soil. Sir Thomas quite evidently realized that interest is paid out of production. Agriculture is our greatest industry, and I wonder just how much interest agriculture can pay to-day. What contribution can agriculture make to the interest charge on the national debt?

I have before me a few figures which will serve very well to illustrate the situation. The total of the gross debt of Canada and loans guaranteed by us as to principal or interest is as follows: In 1913, the figure is $483,000,000; in 1928, $3,361,000,000; and in 1933, $4,020,000,000. That is an increase from 1913 to 1933 of about $3,500,000,000. In those three years the net debt stood as follows: In 1913, it was $314,000,000; in 1928, $2,296,000,000 and in 1933, $2,651,000,000. The interest on the direct debt for those three years is as follows: In 1913, $12,000,000; in 1928, $124,000,000 and in 1933, $134,000,000.

Last year, in addition to that $134,000,000, we paid $53,000,000 as a deficit on the Canadian National Railways, all of which went for interest. I should like hon. members to compare the interest charges paid by the federal government of Canada in the years 1913 and 1933 with the gross agricultural revenue of Canada. The interest increased eleven times between the years 1913 and 1933, not counting the Canadian National Railways deficits, and the gross agricultural revenue of Canada was less in 1933 than it was in 1913. I ask hon. gentlemen how we are going to continue to pay existing rates of interest on the debt. May I give now the total value of field crops produced on the farms in Canada for the three years I have mentioned. They are as follows: In 1913 the total value

was $552,000,000; in 1928, it was $1,125,000,000 and in 1933, it fell to $422,000,000. The net agricultural revenue from all farms in Canada in 1932 is given by the bureau of statistics as $428,000,000. The value of our wheat crop in 1913 was $156,000,000; the average value in all the years from 1921 to 1929 was $377,000,000, and in 1933 it is down to $122,000,000. The value per acre of wheat production, which after all may be the best test, was in 1913 at the figure of $13.62 per acre. The average value from 1921 to 1929, which included three deflation years from 1921 to 1923 inclusive was $16.10, and last year it was only $4.37. The gross agricultural revenue of Canada was estimated in 1913 at $800,000,000. The average value between the years 1921 and 1929 was $1,602,000,000, and last year it was down to $775,000,000.

I shall just give a few more figures, because I do not wish to tire the house with them. Between the years 1928 and 1933 the estimated value of the total wheat crop of Canada fell by seventy-three per cent. In these years the total value of all field crops in Canada fell sixty-three per cent. The gross agricultural revenue in Canada in that period fell fifty-seven per cent, the gross agricultural revenue of the prairie provinces fell sixty-five per cent, the gross value of field crops in the prairie provinces fell seventy-three per cent, and the value per acre of wheat production fell by 76 per cent. Mr. Speaker, I feel that these figures which I have just put on Hansard of the national debt and of the value of our agricultural production indicate an impossible situation. We must either reduce the interest burden or we must reduce the bloated dollar. We could remedy the situation if we were prepared to revalue our dollar. It was recommended by one member of this house a few weeks ago that it be devalued to fifty per cent of the American dollar. I think that that is the best method. It would be fairest to everyone. At present our money is so sound that it has rendered almost all kinds of commodities and real property unsound. Money to-day is so sound that it requires four times as many bushels of wheat to pay off a one thousand dollar dominion government bond issued during the war as it took in 1919 or 1920, or to put it in another way, 1,250 million bushels would have paid off two billion dollars of war debt in 1919 while to-day it would take over 4,000 million bushels to pay off that same amount of debt. Our federal gross debt plus our guaranteed debts could have been paid off in 1920 with 2,250 million bushels of wheat but in 1933 it would have taken over 8,000 million bushels.

[Mr. Coote.]

The net agricultural revenue last year was about 35 per cent of what it averaged in the years 1918, 1919 and 1920, but the federal debt during the intervening years, including guaranteed debts, increased by $500,000,000. If interest is to come out of the soil we must raise agricultural prices, and in addition we must reduce interest rates. On several occasions the Minister of Trade and Commerce (Mr. Stevens) has stated frankly and fearlessly in this house that farmers, merchants and producers generally could not continue to pay the existing rates of interest, but no action has been taken. In to-day's paper I see that the minister is quoted as saying in a speech on Saturday:

> Farmers' interest rates were too high at seven and eight per cent, and there would have to be a readjustment downward.

We have been saying that for three years, Mr. Speaker, but we cannot get any action. A few weeks ago the hon. member for Selkirk (Mr. Stitt) made a splendid speech in this house in which he advocated cutting down the interest rates on all existing obligations by one-third, I think he said, of the stated rate. These are very fine suggestions and I hope that the government will agree to refer this matter to the committee. There I am sure these suggestions would be taken up because both have come from the government side of the house.

I should like to go a little further into the farmers' case and point out that his ability to pay interest depends on the cash profit on his operations. There is no use our saying that because the farmers' income has been cut in two, he would be able to pay if we should cut interest rates in two. It does not necessarily follow that he could pay any interest rate, because he may not have any profit at all at present prices for farm produce. During the last three years prices of most farm products have been below the cost of production. Where has the interest come from which the farmer has paid? It may have come out of his capital and savings, and in many cases out of an insurance policy which he has cashed in. It has come out of reduced standards of living. He and his family have gone without services which they should have had. If the farmer has no reserves to draw upon, he cannot pay, he cannot live and pay interest out of production. For the last four years the index figure of farm prices has been away below the figure of pre-war days, and retail prices have been above the pre-war figure. For the whole of Canada in 1932, the net agricultural revenue, as given by the bureau of statistics, was

$428,000,000, and the number of people on farms was 4,804,728. This leaves a revenue of less than $90 per person for all those living on the farm, or less than $600 per farm. Out of that $600 per farm there has to be paid interest, taxes, insurance premiums, machinery repairs and all the other things necessary, and on the average 6·6 persons must live on the balance. As I said before, it amounts to only $90 per capita before you deduct any of these expenses. The whole of the net agricultural revenue in 1932 is only equal to seven per cent of the gross agricultural wealth of the dominion, as estimated by the bureau of statistics in 1931, and yet farmers are compelled to pay interest on farm mortgages at the rate of eight per cent.

I have received lately communications from several farmers indicating action on the part of some of the mortgage companies and insurance companies who have loaned money on mortgage which I think is very unfair. I have here a crop share lease, which is sent out by the Manufacturers Life Insurance Company, for those who are in arrears for interest, and they are demanding that one-half of the crop should be delivered free of all expenses to the company to apply on the interest on the mortgage. In this particular case the interest rate of eight per cent was paid in full to the end of 1932; the taxes were paid up to that date, but the mortgage was in arrears for one year. The crop was frozen in the year 1933, and of course these people were unable to pay interest on the mortgage that year. The Manufacturers Life is demanding that these people sign and return this crop share lease which would guarantee the delivery of one-half of the crop to the company to be applied on the interest due on the mortgage. The company is very insistent about it because I notice that they say in one letter:

> We are enclosing a half-share crop lease. Please sign both copies. . . . Then return both copies to us by first mail. It is absolutely necessary that we get this security in order to cover the arrears.

It must be done by first mail. This letter was followed by a second letter, from which I quote.

> We want this right away, and if it is not forthcoming we will have to put the matter in the hands of the debt adjuster to get it completed, and this will only add further costs to your account, which is already badly in arrears.

There is no possibility of a crop even in southern Alberta where we have such a salubrious climate, until next September, and yet this company says that they must have this crop share lease signed and returned to them right away. I do not see why they are in such a hurry to get it right away. It would not make their security any better. But it just shows how they are endeavouring to get people to sign these leases.

May I point out to this house that our producers, particularly of field crops but also of live stock, have been in a very difficult position during the last three or four years. Prices for the bulk of their commodities are on an export basis. When we export we come into competition with Australia, New Zealand, the Argentine and Denmark, as well as other countries, but those are our four main competitors, and in every case our competitors have an exchange advantage to-day varying from 20 to 25 per cent. During the last three years they have had an exchange advantage over us of sometimes as high as 60 per cent.

Money policy is the chief factor in fixing prices to-day for export commodities. This government has control of money and of interest rates, and as their money policy has been responsible for continuing these very low price levels, I think we are only asking for justice and asking for it in the right place when we ask this government to take some action to reduce this interest burden.

I have here an article taken from the Toronto Saturday Night about two years ago, containing a report of a speech made at that time by Senator Laird of Regina. The article says:

> More radical and arresting was an address by Hon. Harry W. Laird of Regina, on remedies for the prairie farmer. Senator Laird is not a noisy agrarian of the type which blames every misfortune on eastern capital and the older political parties; but a conservative business man, who has lived in Saskatchewan for 30 years. He plainly told his hearers that something must be done to ease bankrupt farmers of their burdens. "What does it avail a lending company," he asked, "to carry on its books enormous sums of past due interest and questionable equities, when it is is a certainty that they never can or will be paid? . . . Far better to relieve the farmer from the incubus now, and have it over with, and thus enable him to start afresh with a portion of his shackles removed."

That seems to be good sense. Surely we are not asking for anything but justice in view of the figures which I have given. I believe they indicate a net annual income of not more than $70 per capita for the farm population. Under such conditions, agriculture cannot pay existing rates of interest.

I should like to ask hon. members and the government: Is it our job to-day to keep up the wages of money at these high levels, so far above the level of the wages received by the

farming and labouring people? Should not our job be to bring about an equality between the wages of money and the wages of the people? We are revering interest rates and disregarding human rights. Mr Cromie, the editor of the Vancouver Sun, is reported to have said recently:

"When we from Canada and the United States," he said, "visit India and see that poor starving country feeding about 10,000,000 sacred cows, sacred crows and sacred monkeys, we wonder how humans can be no ignorant and stupid. But when from the shores of India we look back at our own North American continent, we see in perspective how foolish we are with our sacred cows of overcapitalized debts, high interest rates and outlived social attitudes which cause some of our people to go without work and some to starve and to be without hope of the future."

I implore the government to regard debts as being a little less and our people as being a little more sacred. I entreat the government to take some action in this connection. If it has no definite proposal to make in this regard it should follow the suggestion made by the hon. member for Wetaskiwin (Mr. Irvine) and appoint a small select committee to consider this most difficult problem.

Mr. H. E. SPENCER (Battle River): Mr. Speaker, because of the great importance of the subject brought before the house by the hon. member for Wetaskiwin (Mr. Irvine) I feel myself under an obligation to support him. He pointed out the relationship between debt and the earning power of the farming and labouring classes while others have gone further and dealt with the relationship of debt to industries. Even if other classes were not affected particularly, they would be affected indirectly because of the heavy burden upon the two classes to which I have referred. The purchasing power of the people should be in the hands of a majority of the people. Once wages and salaries are driven down to zero all business is bound to suffer. In some respects this debate may be of less interest to certain members than the debate on titles, but it is important because people are more interested in obtaining titles to their homes, to their farms and to their right to live than in having some title tacked on to their names. This subject hits at the root of all our problems. The hon. member for Wetaskiwin has stated that the reduction of debt is absolutely essential to the economic life of this country. As he said, a moratorium was put in operation in 1914 and this could be repeated if the government saw fit. In his usual able way, the hon. member for Macleod (Mr. Coote) followed up the argument. In the course of his remarks he referred to the statement of Sir Thomas White that most taxation had to be taken out of the first six inches of the soil. He said also that interest on federal funded debt had increased eleven times between 1913 and 1933 while total revenues had actually decreased.

I should like to give the house a few figures to show the general debt situation in this country. According to the blue books and the figures given last year by the Minister of Finance (Mr. Rhodes) in presenting his budget, the national debt of this country was no less than $2,649,000,000. Last year we paid $138,000,000 as interest on this principal. We have guaranteed bonds to a total of $996,000,000. The total debts of the provinces have been given to us as $1,363,000,000 while the debts of the municipalities are even higher, totalling $1,584,000,000. I might mention that these figures were brought out during the investigation in 1933 into debts and interest rates. The debts of corporations registered with the bureau of statistics amount to $1,178,000,000. Total farm mortgages outstanding are given as $677,000,000, although I think this figure is rather low, while urban mortgages amount to $765,000,000. We have been given to understand that these and similar debts, apart from the huge total of private debts, amount to no less than $10,500,000,000. Last year the Minister of Finance informed the house that out of a total expenditure of $445,000,000, $313,000,000 was uncontrollable. He said that taxation had been slow in coming in and only $287,000,000 had been collected. He stated that even though the houses of parliament were closed, every civil servant let out and every public work stopped, we would still be behind by no less than $26,000,000.

Many people will say that this state of affairs has been brought about by the expenses incurred during the last great war. I agree that the war had a lot to do in hastening the situation but I contend that even had the war not occurred the situation which we have to-day would have been brought about in a few years. The system contains the seed of its own destruction and a serious world debt situation would have developed eventually. The war certainly increased the seriousness of the situation, and I should like to give a few figures in this regard. According to statistics which I have before me, the cost of the war to the British Empire, France, Italy, Russia, the United States and the central European powers, amounted to a grand total of $232,000,000,000. The national debts of the active belligerents in the great war, including the British Empire, Belgium, France, Italy, Rou-

mania, the United States and others, amounted to $178,225,000,000; the debt of Germany was $1,984,475,000,000, or a total of $2,162,700,000,000. We all recognize that Germany's internal debt was wiped out as a matter of self preservation on her part, injuring a certain number of people very badly indeed. But on her part it was a matter of self-preservation. We also recognize that large slashes have been made in other national debts for the same reason. France out of desperation in 1932, with original securities carrying 5, 6 and 7 per cent, transferred them into a new issue of 4½ per cent, converting nearly 81,000,000,000, francs out of 85,000,000,000 francs. Italy, under an agreement of June 27, 1926, provided for the satisfaction of a debt of £610,840,000 to Great Britain by sixty-two annuities amounting to £276,750,000. principal and interest, cutting it down nearly one-third. Australia, in July and August, 1931, brought about a reduction of 22½ per cent in the rate of interest by conversion of internal government debt, saving on interest by conversion £6,500,000, or over $30,000,000. In other words, the internal interest burden will be reduced to that extent.

I admit that Canada has brought about a conversion and saved a little, but nothing like the saving that has been effected by other countries I have just mentioned. But while Canada has done a little, not as much as we might have done with regard to the cutting down of rates of interest and saving in taxation thereby, I fail to see what we have done as regards making it possible to cut down private debts and enable debtors to pay. In the last four or five years we have refused consistently to allow our money to depreciate, although we knew quite well that our chief competitors, such as New Zealand, Australia, the Argentine and Denmark had done so. And as the hon. member for Macleod has already told the house, the exchange over Canada to-day is between 20 and 25 per cent.

I fully admit that inflation and deflation in the extreme are both bad, but if one is a greater evil than the other it seems to me that deflation is distinctly worse, because it hurts a great many more people and brings on much more tragedy and suffering. I advocate neither, but I do advocate a scientific control of the money system, which has not been attempted in this country up to the present time. The other day a customer of a bank sent me a note showing that on quite a large amount no less than 9 per cent was being charged. The figures that have been given this afternoon show that farming is not paying 2 per cent and in many instances not 1 per cent. How is it possible then to pay 8 and 9 per cent under these conditions?

It has been pointed out this afternoon that the control of interest comes under federal jurisdiction, and therefore it is within the power of this parliament to pass whatever legislation it sees fit with regard to interest rates. The hon. member for Wetaskiwin dealt very fully with the inequality of what I might term commodity wealth and financial wealth, showing how under the present deflation those holding financial wealth have been favoured at the expense of those holding commodity wealth. The debt situation so far as agriculture is affected was covered very largely by the hon. member for Macleod and I will not take up much time discussing it in detail. However, I wish to say a few words about it.

At one of the special committees of the house the other day particulars were given with regard to debts owing by the rural population in Alberta alone to the retailers of that province. The figure given was I believe as high as $46,000,000. Now, if the amount owed to the retailers of one province of the dominion, and one of the smaller provinces from the point of view of population, amounts to that sum, what is the aggregate of all that is owed if we add to what is already owed the retailers the various sums owed to the lumber yards of the province, the machine agents, the sums owed in taxation to municipalities and to the provincial government, and those owed to mortgage companies and to the banks.

This debt situation as we find it, together with the shortage of purchasing power which is felt so acutely at the present time, affects everyone, of course; I suppose that 85 or 90 per cent of the people are affected by this serious condition to-day in regard to debts. I am dealing for the moment however with those who happen to live in the rural sections. The farmer finds his reserves—and some had reserves up to a few years ago—entirely depleted. It is impossible for the farmers to carry out repairs to machinery or buildings, and the one person who is probably busiest on the prairies to-day than ever before is the blacksmith, because he is called upon to such an extent to repair all sorts of machinery, something that was not thought of before. Previously it was not the practice to have machinery repaired in this rough and ready way, but to-day repairs are extremely expensive. Moreover, the standard of living is lower, and I cannot see how it can be reduced much further, with our present standard. The hon. member for Macleod gave some extraordinarily low

figures with regard to the average revenue received by the farmers to-day. I find that hope is disappearing, because the young people coming out of high school and college to-day who are lucky enough to find work are few and far between. They have no means whereby to set up for themselves and they cannot borrow from the banking institutions. I find that others who have gone through the common schools cannot go to high school or university because their parents simply cannot afford to send them. This sort of thing cannot go on without affecting business, and business generally recognizes it to-day. That is why it is felt that until agriculture is again on a paying basis no general uplift of business can be brought about. If agriculture is allowed to remain in its present precarious condition or to become any worse, it is going to be an evil day indeed for general business throughout the country.

Anyone who has studied the subject of interest must appreciate the tremendous liability it is to those who are so unfortunate as to be unable to meet their payments. I have in my hand a statement taken from Mr. J. M. Keynes' book Monetary Reform in which he says, referring to debts, that if they are allowed to grow without mitigation for many generations, half the population would be no better than slaves to the other half.

The ex-Chancellor of the Exchequer, Mr. Snowden, referring to the huge amounts Great Britain has to raise every year by taxation to meet interest on war bonds, said one day to the British House of Commons that the British government to-day was practically a huge tax-collector collecting from all the people huge sums to turn over to a few who happened to hold war bonds.

Let me go back further in history to a statement made by Napoleon Bonaparte who in his time was a great student of these questions. In that very well known book by McNair Wilson, Monarchy or Money Power, Napoleon is referred to as fighting the monetary interests right until the time he was shut up in Elba. At the time he escaped, when he had to get some money quickly, he sought the international moneyed people and borrowed from the city of London five million pounds with which he equipped himself to fight the battle of Waterloo. He is reported to have said in looking at a table of compound interest:

> I wonder if this monster has not devoured the whole human race.

Were it not for the fact that from time to time we have bankruptcies galore and a writing down of interest every now and again, there is not the slightest doubt that the control of properties in general would come into the hands of a very few people.

A year ago the house sent to the banking and commerce committee a resolution introduced by the hon. member for Red Deer (Mr. Speakman) asking for an investigation into debts and interest. Some valuable work was done in that committee and a great deal of important information obtained by it. Time, however, did not allow it to go into the question as thoroughly as it desired, and so, in submitting its report to the house, it recommended that the work should be continued. I trust, therefore, the government will accede to the request of the hon. member for Wetaskiwin who has brought up this subject this afternoon, and will appoint a special committee to go into the whole question of debt and interest and to see whether something cannot be done, as I am sure it can, to help to salvage business from the extraordinary position in which it finds itself, to enable this country again to step on to the highway of success, and to get away from the very low standard of living and the debt and worry through which most of the people are passing to-day, to a much higher level or improved standard of living to which we can look forward with a great deal of hope and pleasure.

Mr. W. T. LUCAS (Camrose): Mr. Speaker, I wish to make a few observations in support of what has already been said on this very important question of debt. I believe there is no question in Canada to-day that is causing so much worry and so many sleepless nights as the tremendous burden of debt that is weighing so heavily upon the Canadian people. May I say here that if this session of parliament did nothing more than deal adequately with the debt problem, it would have done something really worth while.

Speaking a little over a year ago, Mr. Stanley Baldwin made the following remark:

> These days constitute a challenge to our genius, industry and loyalty. The world stands upon the precipice of bankruptcy while in possession of the secret of plenty.

I am sure that one will not be considered an extremist in quoting any remarks made by the Right Hon. Mr. Baldwin. Last year the hon. member for Red Deer (Mr. Speakman) introduced a resolution dealing with the question of debt, and this resolution was later referred to a committee of the house. I find at page 623 of the Journals of the House, 1933, that that committee reported giving the dominion, provincial, municipal and corporation debt as $8,855,596,829 and the total

interest for the year, figured at an average of 4·77 per cent, as $421,965,896. When we find that the total amounts realized from the field crops of the whole dominion amounted last year to only $422,148,000, we realize that this is practically all taken up in meeting interest on our dominion, provincial, municipal and corporation debts. On top of those figures farm mortgages were estimated at $677,564,100. Might I say that there was some difference of opinion in regard to those figures because they were computed only from mortgages given by those who owned land, whereas we from the west know that a large proportion of our land is sold on crop payments and agreements of sale and as the holders of these agreements are not really the registered owners of the land, the amounts owing on those properties would not show. Then urban mortgages were estimated at $765,000,000, if we combine farm and urban mortgages, we have a total of $1,442,564,100. If we add this to the dominion, provincial, municipal and corporation debts, we get a total of $10,298,160,929. But no estimate was made of the private debts of Canada and while a number of estimates have been given, I would simply add as private debts, $1,700,000,000 to this figure, bringing the total to approximately $12,000,000,000. The hon. member for Red Deer in a very careful compilation in his speech of last year estimated the total debt at $12,000,000,000, but there are those who place the figure very much higher. If, however, we take $12,000,000,000 as the total debt of Canada, at an average interest rate of 6 per cent this would give us a total of $720,000,000 a year in interest charges. Dividing this by 12 it means that our interest rate per month amounts to $60,000,000, or that we are paying $2,000,000 each day of the year in interest charges. When one considers these figures one realizes why we are in the condition in which we find ourselves to-day. One must remember that these debts were largely contracted when prices were at a very much higher level than they are at present, and I think it would be safe to say that at present price levels one could at least double the figures I have already given. The paradox of the whole thing, Mr. Speaker, is the fact that never were we so wealthy as a nation, yet never were we so hard up. I should like to quote Doctor Victor Dalmage, chairman of the British Columbia Mining Institute, from the Canadian Mining and Metallurgical Bulletin of January, 1931. He said:

> The economists define wealth as "the fruits of labour" such as, for example, wheat, copper, cotton, lumber, fish, etc. According to this definition, the world is at present flooded with wealth and yet, at the same time, awful poverty is everywhere in the land; people are hungry, ill clad, and ill housed even on this, the richest of continents, and in this young and vigorous country of ours.

Just stop for a moment and remember that if every dollar in the world disappeared to-morrow morning not a bit of this wealth which is essential to the well being of mankind would disappear with it, yet because of the present man-made money system we find ourselves in this terrible condition. I think we might as well admit that we are bankrupt so far as our ability to pay our present debts is concerned; not only that, but it would appear that to-day all governments are bankrupt of ideas as to how to meet the situation. When the provincial premiers met in Ottawa in January, just before the session opened, I found the following statement in the press:

> "No matter what avenue we explore in taking up the agenda items, we always bring up against that stone wall—financial stringency," said one provincial premier on leaving the conference last night.

When one considers the wonderful resources of our country and our tremendous ability to produce, one is forced to the conclusion that the only barrier standing between the ability to produce and the desire to consume is a financial one. In a short article in the Business Week of New York, I find the following statement:

> In the course of time we shall understand that this depression had its origin and will have its end in other, more fundamental factors than the management of individual industrial and commercial enterprises. Of these, our monetary and credit system and our governmental machinery are the most important. Both are a century or more behind business in their development. Management can do only so much and no more to offset their deficiencies, and the stable progress of business is limited by them.

Reading the press to-day one is struck with the statements that are made as to the inevitability of another war. I am sure that if a plebiscite of the people of the world could be taken no private individual would vote for war, yet because of the debt-ridden condition of the people and the economic situation in which they find themselves they are gradually being forced against their will into another war. I think every hon. member realizes just what another war will mean to civilization. In his Inversion of Science, Professor Soddy has this to say, at page 15:

> Anticipating somewhat the conclusions to be arrived at, we may define here the cause of war more precisely as due to an accumulation of mutual international indebtednesses without any possible method of repayment. Strong nations at once get the weaker into their debt

and prefer to extort from them a permanent annual tribute of wealth by way of interest, rather than to allow them to repay the principal and go free. War cannot be abolished till that is rectified.

I am convinced, Mr. Speaker, that under our present debt-creating system this problem cannot be dealt with. As I said a few days ago when speaking of another matter, just as the industrial revolution which occurred a little over one hundred years ago changed the whole outlook and condition of mankind, so to-day I am convinced that nothing but a financial revolution will meet our present needs. It seems so absurd, when we find ourselves surrounded with plenty on all sides, and when we have the ability and willingness to produce, that we should find ourselves in our present condition. We have everything but the ability to provide the tickets of exchange; the one obstacle is a matter of finance, and until we are prepared to use our social credit for the benefit of the people instead of allowing private interests to use it as they are now doing, I see nothing but trouble and chaos for the future.

I wish to add my voice to those who have requested that this matter be sent to a committee and given very careful consideration. I hope this session will not end before at least something has been done in regard to the debt question.

Mr. ANGUS MacINNIS (Vancouver South): Mr. Speaker, I did not intend to say anything on this question until I heard a certain statement made by the hon. member for Macleod (Mr. Coote). The hon. gentleman referred to the fact that it was quite noticeable that in times of economic prosperity debts increased faster than in times of depression. The point I am going to make is very important, and I hope hon. members will take some note of it. I do not ask that they agree but I do ask that they give the matter consideration, and if they do so I am quite satisfied that they will come to the conclusion that debt is inseparable from the present system. As a matter of fact capitalism itself is debt. It was reported some time ago that an eminent European statesman said that empire was debt; I say that capitalism is debt.

Now let us see why it is that in times of prosperity debt increases faster than in times of depression. I do not know, but I presume that when the hon. member for Macleod referred to times of prosperity he was referring to the years immediately preceding the depression which began in 1929 or 1930. If we go a little farther back to some years preceding that, at a time when there was a still greater industrial development and industrial activity—I refer to the years of the world war—we find that debts increased not only at the same rate as they increased in 1929-30, but considerably faster. The reason is this: There was more wealth produced, although it was destroyed as fast as produced, during the war years. There is only one way in which a certain amount of the wealth produced under capitalism can be disposed of, and that is by creating a debt equal to the value of that part of the wealth produced.

Production is disposed of in two ways. It is shared between the owners of the capital concerned in its production and the workers in that particular industry. Through wages the workers receive a certain amount of the value they produce, but they do not receive sufficient to buy back the total volume they have produced. The employing or owning class are not able to consume the surplus that the workers have produced and cannot buy. There is no way then, in which that surplus can be disposed of, except by creating a debt. If we go back, as I said, to the years immediately preceding the war, when the United States was lending enormous sums to the allied nations, we will find that the workers in the United States, in fact all the people in that country, were living on a higher standard than they had ever lived on before. That condition meant one thing only, that they were producing enough to feed, clothe, and shelter themselves better than they had been fed, clothed or sheltered before, and yet they were creating a huge surplus of commodities to send overseas. All of that was creating a debt.

Some little time ago I saw an article in World Wide, which was copied from the New Republic. The article was intitled "A War Debt Catechism," and reads in part as follows:

Q. What are the war debts?
A. Debts owed to the United States government by our allies in the world war, for loans made to them during and after the war.
Q. How much were the total loans?
A. $10,350,000,000.
Q. How much was loaned before the armistice?
A. $7,000,000,000.
Q. How was the money sent to Europe?
A. The money was not sent to Europe. It was paid to American manufacturers, farmers and other business men by a committee of the American War Industries Board.
Q. What for?
A. Munitions of war, food, cotton and other supplies sent to our allies; transportation, shipping, interest.
Q. How much was loaned after the armistice?
A. $2,500,000,000, plus $740,000,000 in relief supplies.

Q. How was this after-the-armistice money sent to Europe?

A. It was not sent to Europe. It was practically all spent in the United States for the purchase of war supplies, cereals and cotton sent to our allies.

Q. Why were these loans made to the allied powers after the armistice?

A. The principal reason given by the secretary of the treasury was that these loans would enable American business men to complete their war-time contracts with the allied powers. If these contracts were suddenly cancelled, he said, it would have an injurious effect upon American business.

All these debts have been created by the exchange of material things, the exchange of goods, and they can never be paid unless those who hold the debts will take goods in exchange. That is the condition with which this country is confronted, and the process I have explained is one which those who owe debts cannot possibly follow. The creditors cannot accept the millions of bushels of wheat offered by the prairie farmers; they cannot accept the beef or pork or mutton, or any of those commodities which we can produce in such abundance; they cannot accept the services of those people who are willing to work. Consequently because these debts cannot be paid we have in Canada to-day 20,000 able bodied men who could be our greatest producers of wealth, but who are in idleness in slave camps. I do not wish to say any more on the subject.

Mr. MACKENZIE (Vancouver): More than that; the hon. member has not taken the national parks into consideration.

Mr. MacINNIS: I do not wish to say anything further in connection with this matter. I hope the government will send the matter to a committee and, as I said before, if that committee will give it careful consideration it will come to the conclusion that the world's debts and Canada's share of those debts cannot be paid. Possibly then we will get down to business and use some of the wealth which we have and which we are so eminently fitted to produce.

Mr. THOMAS REID (New Westminster): Mr. Speaker, in my opinion the suggestion offered by the hon. member for Wetaskiwin (Mr. Irvine) is one of the best suggestions which has been made during this session of parliament. I believe every hon. member will agree that the debt situation in Canada—and it is this country in which after all we are particularly interested—is an enormous burden, and is one too great for our people to carry. Listening to the figures offered by previous speakers one could not help but feel staggered by the facts as to the debt situation in Canada. I agree with hon. members when they say that it is doubtful if the debts of Canada will ever be paid. While someone might ask, "Well, what are you going to do about it?" I want particularly, without answering the question at the moment about debts, to deal with the question which is troubling most of us, namely that of interest.

I do not intend to cover the ground already touched upon by previous speakers, nor do I intend to place upon Hansard again the many figures concerning the debts of Canada. The matter is so serious however that I do not believe it should pass this chamber until a greater number of speakers have taken part in the discussion and have given expression to their views concerning the acute situation facing us in Canada. Not only are thousands of our people faced with the burden of debts, with the loss of their homes, and so on, but they are faced with the loss of insurance policies and, in fact, everything that they own. Those who were fortunate enough to invest their money in bonds have been protected all the way along. But the farmer, or those other individuals who have placed their money and their all in homes or in farms are seeing all they possess wiped out. I believe it is safe for me to say that thousands of people have already lost not only their homes but their other possessions.

I should like at this time to deal particularly with the staggering debt facing the province of British Columbia. May I at the outset say that I am not blaming any particular government for the situation in that province, but when one considers that in a province of about 700,000 people we are faced with a debt of almost $167,000,000, is it any wonder that many of our people are wondering whether we will ever emerge, or whether it would be better to default now and to begin all over again. I have jotted down some figures in connection with the province of British Columbia and to say the least, they are startling. They borrowed $42,000,000 to cover deficits alone. Out of a total expected revenue of $19,492,791 this year, the interest charges amount to almost $8,000,000, and sinking fund amounts to another $3,758,701, making a total of $11,663,086, which has to be taken from that expected revenue of just over $19,000,000. That leaves somewhat less than $8,000,000 with which to carry on the whole affairs of the province, such as education, health, hospitals, charities, old age pensions, mothers' pensions and aid to the municipalities, public works and all other public services. Taking into account the costs I

have mentioned, it leaves less than $1,000,000 with which to carry on all the other affairs of the province.

I think some measure of condemnation is due this government for not meeting the wishes of the province of British Columbia and endeavouring to help them refinance or refund their loans. I understand that the province has approached this government and asked to be allowed to go to the London market, but that the request has been refused. The province has now indicated that it is not its desire to default on the carrying charges, but the enormous load of debt has become so burdensome and has reached such a crisis that the province has now intimated that it will refund at a much lower rate of interest. According to figures submitted by the provincial Minister of Finance, if the province can refund its present debt at something like three per cent, as it expects to do, it will mean a saving in the neighbourhood of $5,000,000 a year in interest charges to the people of that province.

For the benefit of the house I would like to put on Hansard a few figures as given by the president of the North American Life in regard to the debt of this country. It shows the saving that could be effected were the interest rates reduced on the debt of this country. First they give the total debt of the various provinces last year, aggregating $1,142,666,557. They say that if the interest rate were reduced to only 3½ per cent it would mean a saving of over $15,000,000 on that total debt. When one considers that almost every other country in the world has had a refinancing and a refunding of its debt, some countries refunding as low as 2½ per cent, one cannot help wondering what is keeping this country back and why no steps have been taken here to refund the public debt at a much lower rate of interest.

I know that the government endeavoured to take a great deal of credit, and perhaps some credit was due, for the first refunding loan which they floated in London, but I would point out that that loan was floated at 4 per cent. On the other hand, Australia, whose currency has been depreciated and whose financial position has often been quoted in this house, this last year floated in the London market loans amounting to $500,000,000, some as low as 2½ per cent and the average at 3¼ per cent. If that can be done by a country like Australia, with a depreciated currency, what can be done by Canada which has stood these last three years on what is termed by the Prime Minister a sound money policy? Surely if that can be done by these other countries with depreciated currencies, Canada can and should do just as well.

Many suggestions have been made, and I am going to make a suggestion now which I feel is pertinent, although perhaps it might more properly be brought up at some other time, and that is regarding the turning over of all our gold to the central bank. I think it would be a mistake if the gold was turned over to the central bank without this country first of all getting the profit, because otherwise, with gold at $20.67 an ounce, we would lose in the neighbourhood of $90,000,000. The gold in the banks at the present time amounts to well over $40,000,000, and the treasury, under the Finance department, has over $70,000,000. If you add those two together they amount to 60,000,000 ounces of gold, which, at $15 an ounce, representing the difference between the price of $20 and the new price of $35, means a profit of $90,000,000. I hope the government will not transfer all that gold to the central bank without first crediting that profit to themselves, and holding it either to reduce the interest on our public debt or to institute a program of public works. It would be a grave mistake in my opinion to turn over that amount of gold to a central bank without using the profit on behalf of the people. That is at least one suggestion that I have to make.

I think some statement should also be made by the government as to why the provinces are not allowed to go to the London market if they see fit to float their loans. I believe that it would be a mistake for one province to compete with another in the financial markets, especially as conditions are to-day. But we might well copy what has been done in Australia by coordinating, if I may use the word, the provinces, perhaps through a committee that might be set up, which would find out the exact financial position of all the provinces and work out a refinancing scheme that would be equitable throughout the length and breadth of this dominion. But if one province is allowed to go into the market to compete with all the other provinces, no one can tell what might happen. It would not be good business, and the situation created might be so serious that I think the government would de well to take precautions against that happening.

The province of British Columbia has intimated that it is not its wish to default, but if no relief is provided in the money market, it feels that it cannot carry on any longer, and it is hardly necessary to point out the seriousness of allowing one province, especially British Columbia, to default. That province is carrying perhaps a heavier burden than most of the other provinces in connection

with unemployment. The municipalities of British Columbia, generally speaking, and the cities, have gone as far as they can in carrying that burden. Besides 100,000 on relief they are caring for ten thousand extra persons who have drifted into the province and are costing considerable money not only to the province itself but to the municipalities who are endeavouring to help carry them.

As I pointed out, British Columbia has borrowed over $41,000,000 to cover her deficits. She will have to borrow this year $3,000,000 for unemployment alone. She owes the Dominion government I believe close to $8,000,000, and with a debt of almost $170,000,000 it is high time we put through a new deal with regard to refinancing and at least make a start towards cutting down our debt and getting a lower rate of interest. We cannot carry on very much longer, and it is a question in my mind just how long we can carry on with a total debt in Canada of over $9,000,000,000 and an interest charge of well over $400,000,000. Here we are sitting back year after year and seeing every other country go to the money market and refinance at 2½ and 3 per cent, while the average rate in Canada on our loans is almost 5 per cent.

It is for that reason, Mr. Speaker, that I join with hon. members who have previously spoken in urging the government to accept the suggestion that has been made for the appointment of a committee where all these matters can be gone into fully before it is too late.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, at the outset I wish to direct the attention of the house to the fact that the only member outside of the group in this corner who has spoken on the subject before the chair is the last speaker (Mr. Reid). I congratulate him upon the part he has taken in the debate and I hope other hon. members of both political parties will indicate their interest in this subject of such transcendent importance. Doctor Henry Clay, professor of social economy at the university of Manchester, said not long ago:

> —in most agricultural countries I see little hope of preventing collapse unless there is a drastic writing down of debts.

The hon. member for Vancouver South (Mr. MacInnis) added to his reputation when he gave what I consider to be one of the finest analysis of debt creating capitalism which I have heard in this house. It must be apparent to students of this subject that national and international debts can not be paid under the present economic system. There is no use blinking at the facts or trying to smooth them over; these debts in the aggregate never have been paid and they never can be paid. In spite of this fact we continue to carry this ghastly burden of interest on unpayable debts, evidently for the purpose of sustaining a system which in itself contains the seed of damnation and destitution for the peoples within the system. If any hon. member doubts this conclusion, I suggest that he study the financial sheet of any borough in England, any state in the union to the south, any province of Canada or, in fact, any nation of the world. Let him study the balance sheets of one hundred years ago, fifty years ago, twenty-five, ten, five, three, two years ago, and those of to-day. He will find recorded upon those balance sheets only one story, a story of steadily increasing debts and constantly growing fixed interest charges, which themselves now amount to sums far in excess of debts which were regarded as extreme thirty or forty years ago.

As far as Canada is concerned, I think it is only right to say that every class in the country, with one exception, has borne some fair share of the liabilities of the recent depression. As has been shown already to-day, the farmer has had to face enormous reductions in income as a result of the decline in the price levels. In the brief period from 1928 to 1932 one which by no means tells the whole story, the decline in the value of field crops alone amounted to $637,231,000, or sixty per cent. There was a drop of 65 per cent, or $127,669,000, in the value of live stock during the same period. There was a drop of 48 per cent, or $52,163,000, in poultry and egg production. Even that class which draws their income from investments in Canada suffered a loss, although a minor one, amounting to $19,000,000, or a decline of ten per cent. But there is one class which has taken no apparent loss and sustained no fair share of the depression. Not only have they borne no adequate share of the burden of the depression, but there has been a constant increase in the face value of the returns which they received. In addition to an increase of twenty per cent in the face value, they have received a fortuitous increase for which they have performed no service and for which they have made no compensating productive effort. The Prime Minister (Mr. Bennett) has referred to the increase of 48 per cent which has taken place in the unearned increment of this class. I refer to the bondholders, who received $65,000,000 more in 1932 than in 1928. The continued concentration of wealth is well told

by these figures and must challenge the attention if not the understanding of all citizens of this country.

An interesting study of the wage earner was made by Professor Jackson and Professor Cassidy, who found that by 1932—they did not deal with subsequent drops, which have been gigantic—the reduction suffered by the workers amounted to approximately $1,000,000,000. As I have shown already in part, during the same period the farmer took a cut of easily $1,250,000,000 in annual income. I have made every allowance for any duplication which would occur in the processing of certain primary products of agriculture into secondary products.

Let us turn now to the general condition in Canada, which has been told in part already. I have secured the most exhaustive figures on this subject, and as we are pressing the house for the appointment of a committee to examine all these circumstances, I feel it is entitled to as many facts as it is possible to give. I find that on January 1 of this year the funded debt of Canada was $2,725,704,000. In March, 1930, it amounted to $2,544,586,411. Hon. members will notice the marked increase which has occurred in this short period. In addition to the debt as of March 31, 1932, it will be found that certain securities have been guaranteed by the dominion. This principle of guaranteeing has not been mitigated by the government since that time; in fact it has been materially increased. The railways have been guaranteed as to principal and interest to the extent of $779,944,710, and as to interest only, $216,207,142. Guarantees under the relief acts amount to $28,272,301. Guarantees to Canadian National Steamships amount to $9,400,000, and to harbour commissions, $21,835,118. That is a total in guarantees alone of $1,055,659,271. It is interesting to note that the guarantees as to principal and interest, have risen from $237,878,762 in 1923. I have been unable to obtain figures as to guarantees of interest any farther back than 1923, but the figures for that year are identical with those for 1932. Although there has been no increase, not a single dollar has been paid in principal. The net debt per capita on March 31, 1932, was $226.14. The increase in debt from 1929 to 1934 amounted to $500,200,000. The interest upon this debt amounts to $135,000,000, or a per capita charge of $13.23. The principal burden imposed upon the Canadian people is the payment of the annual interest charges upon this debt. As the hon. member for New Westminster (Mr. Reid) has just stated, the average rate of interest is approximately five per cent. As a matter of fact it is 4·923 per cent, so the hon. member was just correct.

I shall now take the record of the provincial governments. The total ordinary expenditure for 1931 of the nine provincial governments was $190,754,202, whereas in 1916 it was only $53,826,219. There has been an increase in total ordinary expenditures in the provinces of Canada in that period of 254 per cent. The aggregate interest payments of the provincial governments in 1931 was $36,748,000. In 1916 they paid only $7,817,000. This shows an increase in aggregate interest payments of 370 per cent.

In Ontario the gross debt in 1934 was $639,967,301, an increase in six years of $216,000,000. The aggregate taxes imposed by the municipalities of Ontario in 1931 amounted to $128,657,684, whereas in 1913 they were only $34,231,214, or an increase in municipal taxes, of 275 per cent in that period.

In the province of Quebec the direct liabilities for the fiscal year 1932 amounted to $108,188,709. The aggregate taxes imposed by municipalities in 1930 amounted to $63,637,000, whereas in 1914 they were only $20,771,000. Here we find an increase of 206 per cent.

In Manitoba the direct liabilities for the fiscal year 1932 amounted to $124,558,810. The aggregate taxes imposed by the municipalities in 1930 were $19,322,697, but in 1912 they were $9,922,537. This shows an increase of 94 per cent.

By the way, it is interesting to note that the fixed interest charges by municipalities have increased enormously out of proportion in central provinces as compared with the west, as will be seen by subsequent figures, and this is as effective a way of rebuking the critics of financing in the western provinces as I could conceive—critics who have been so noisy of late.

In Saskatchewan the direct liabilities for the fiscal year 1932 were $134,068,943. The aggregate taxes of the municipalities in 1930 amounted to $29,609,893, whereas in 1914 they were only $13,358,627. This shows an increase of 121 per cent. The gross debt of that province at January 31, 1934 was $145,623,698.

In Alberta the direct liabilities in the fiscal year 1932 were $149,601,000. The aggregate

taxes, municipal, in 1930 were $14,887,676, as compared with a total in 1914 of $10,022,246. This shows an increase of 48 per cent.

In British Columbia the direct liabilities in the fiscal year were $140,949,520. The aggregate taxes, municipal, in 1931 were $18,260,430, and in 1914 the total was $8,698,820, or an increase of 110 per cent.

In Nova Scotia the direct liabilities in the fiscal year 1932 were $64,161,747. The aggregate taxes, municipal, in 1931 were $6,605,580, and in 1919 they were $3,443,681, or an increase of 92 per cent.

The seven provinces covered by these statistics contained in 1931 approximately ninety-five per cent of the population of the dominion. The total liabilities of the provinces in 1932 amounted to $1,363,382,464. In fairness, I think I should make this comment on the figures: I think it will be clear from what I have already shown that the province of Alberta, with an increase of only 48 per cent, compares extremely favourably with the enormous increase in almost every other province with the exception of Manitoba. Manitoba is next to ours with an increase of 94 per cent.

In addition to the direct liabilities there are also certain indirect liabilities amounting in 1931 to $210,668,231; so that the total liabilities of the provinces in 1932 were considerably in excess of $1,500,000,000.

The total bonded indebtedness of all classes of municipalities I will give next. These figures are taken from the Financial Post business year book 1934, so that they are up to date:

Prince Edward Island	$ 1,959,672
Nova Scotia	31,386,025
New Brunswick	21,477,521
Quebec	428,018,439
Ontario	499,022,074
Manitoba	91,615,195
Saskatchewan	59,146,704
Alberta	78,679,571
British Columbia	129,913,890
Total	$ 1,341,219,091

That figure represents the total bonded indebtedness of all classes of municipalities in the areas stated. At December 31, 1932, according to the Financial Post year book, 1934, the city of Montreal showed liabilities, including public utility debt, of $322,089,000; Toronto, $291,229,000; Winnipeg, $128,698,000, and Vancouver, $80,130,000.

I come now to the indebtedness of corporations, as taken from the Financial Post year book, 1934, page 131. The amount given is $2,234,213,000. To make the figures as exact as possible I have taken the trouble to ascertain the debts of the public to the banks for the year 1932, as shown in the Canada Year Book 1933:

Call and short loans	$ 117,224,745
Current loans and discounts in Canada	1,032,081,481
Loans to provincial governments	34,386,119
Loans to cities, municipalities, etc.	130,567,792
Overdue debts	12,317,980
Total	$ 1,326,578,117

Approximately ninety per cent of the total assets of the chartered banks consist of money belonging to the public. On the question of farm mortgages, there have already been given in this debate some figures that are exceedingly interesting and that must have alarmed the house. But I repeat, for the purpose of pointing out one oversight, that, according to reliable census figures last available, the total mortgage indebtedness outstanding on the part of one-third of the farms in Canada is approximately $700,000,000—to be exact, $671,776,500. But let it be noted that these figures are only in respect of farms that are so-called "owned"; they do not include the enormous burden of debt on agriculture impending as the result of purchase of land under agreement of sale. I have in mind the debtors of that great land company, the Canadian Pacific Railway, as well as the Hudson's Bay Company and numerous other concerns including our governments themselves who have sold school lands on agreements of sale. If the total indebtedness of agriculture with respect to land alone were known it would be found to be far in excess of the figure I have given and would probably approximate one and a quarter billions. As I have indicated, roughly only one-third of the farmers reported, the number of farms reporting mortgage debt being 242,850 out of 782,000. In the period between the census of 1921 and that of 1931, we find a terrific shrinkage in the value of farm property, a shrinkage running into the figure of $1,025,000,000. The average value of farm land in 1931 was estimated at $30.99 per acre, but let it be noted that the average amount of mortgage debts on owned land alone amounts to an aggregate of $12.66 over every acre of the farm land of Canada.

Urban mortgages have been estimated by some authorities at $765,000,000. I now recapitulate, so that the matter may be clear:

Dominion liabilities as of January, 1934	$ 2,725,704,000
Securities guaranteed by Dominion government	1,053,804,000
Provincial liabilities	1,428,597,000
Municipal liabilities	1,315,523,000
Corporation liabilities	2,234,213,000
Bank loans as of 1932	1,326,578,000
Farm mortgages, 1931	671,776,000
Urban mortgages	765,000,000
Total	$ 11,521,195,000

This leaves out of consideration altogether the incalculable and unprocurable burden of individual debts as between individuals and storekeepers, as between storekeepers and wholesalers, and so forth. The per capita statistics of the Financial Post year book show the per capita debt as follows:

Dominion	$ 226 14
Provincial	139 59
Urban	196 50
Total	$ 562 23

Or, as a result of the insanity of the debt creating financial system with which we are cursed, a grand total of per capita debt in the dominion of Canada at this moment of $562.23.

Mr. MACKENZIE (Vancouver): Does that vary according to provinces?

Mr. GARLAND (Bow River): Yes, this is the aggregate.

Mr. MACKENZIE (Vancouver): It is more than that.

Mr. GARLAND (Bow River): Yes, if you take into consideration personal obligations and other matters like that. This is from the Financial Post year book of 1934. I cannot give later figures than that, nor do I think they are procurable.

The average per capita current revenues and expenditures of the provinces are as follows:

Current revenues	$17 40
Current expenditures	20 48

So we see the picture there clearly. Just as the hon. member for Vancouver South has said, under the present system the only manner in which we can, as we call it, progress, is by going into debt. You cannot progress without credit, without purchasing power, and to secure either credit or purchasing power under the present system, somebody must go into debt for it somewhere, either to the bondholding class, the big financial houses, international and national, or the commercial banks themselves. So we have a system that is piling up these debts until a stage has been reached where the people of all nations, including ours, are being crushed and ground into dust under the load.

The gross debt and public utility debt of cities is a very interesting study. The figures are as follows:

City—	Gross and public utility debt per capita
Montreal	$393 48
Toronto	463 12
Winnipeg	588 89
Vancouver	323 68

I regret that time did not permit me to make a complete examination of financial failures in Canada nor of the amount of money involved since 1929. I propose to do that and to produce it on some other occasion, and I am certain the figures will be startling. Commercial failures, however, for 1933, according to the bureau of statistics, were 2,044, with estimated liabilities amounting to $32,953,858.

In January, 1934, the funded debt of Canada stood at the figure of $8,757,840,000; that is the funded debt of the dominion, and the guaranteed securities and the funded debt of provinces, municipalities and corporations. At an average rate of five per cent, that would show an average interest charge of $437,000,000, or $1,200,000 a day. Obviously in the present circumstances it is not possible to pay anything like that sum or any portion of it. As a matter of fact, the reverse is true; Canada in no sense and no class is to-day even meeting interest out of revenue; we are borrowing all along the line to pay interest only, without being able to meet any part of the capital obligation. Even should the time arrive when the feat of paying this debt might become possible and we started to pay it at the rate of $50,000,000 a year in addition to interest, it would take us more than a hundred and fifty years to liquidate the present funded debt of the Canadian people provided that we did not go one more dollar into debt in the intervening period. This would necessitate a complete cessation of all borrowing, I ask the Minister of Public Works (Mr. Stewart) who is in his seat, the Minister of Finance (Mr. Rhodes), or any other hon. member whether they can contemplate continuing the ordinary services of Canada without borrowing. I ask the same question with regard to any provincial government or any municipality anywhere. Of course this can-

not be done, so we have to keep on piling up these beautiful debts under this highly intelligent financial system that we have accepted from somewhere else and made our own. Not only have we made it our own, but we have exalted it in a rapturous affection which causes its supporters to shy away in horror from any suggestion that might in any way modify its burdens.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. GARLAND (Bow-River): Mr. Speaker, when the house rose at six o'clock I had just shown that the bonded debt of the Dominion of Canada, the provinces, municipalities and corporations would require, in addition to interest, an annual payment of about $50,000,000 if we attempted to pay off our present obligations in a little more than a hundred and fifty years. Of course, as I said at the time, this would also necessitate a complete abandonment of all borrowing, a condition that it is impossible to contemplate. Therefore I submit, considering the fact that last year the dominion alone showed an increase in the net debt of over $220,000,000, that we must either reconcile ourselves to remain in debt in perpetuity or insist upon an entire and drastic reorganization of our complete financial set-up.

In connection with the statistics presented to the house this afternoon I showed that the obligations of the people of the country to the banks alone were almost $1,250,000,000. The annual interest payments on that sum approximate $80,000,000 a year. These bank loans deserve special mention, because if we are to believe the bankers, the Prime Minister and some other hon. gentlemen who have the orthodox, reactionary and quite inaccurate view of the action of the banks, these loans in their opinion are supposed to represent the savings of the people placed with the banks for safe keeping. For our purpose let us assume that their words can be taken at face value. We then find that the banks are paying 2½ per cent interest on the deposits of the people, so that the net payments on the part of the people of the country to the banks are about $55,000,000, for the use of the credit of the people. And incidentally I might direct the attention of the house to the fact that bank savings have declined by over $130,000,000 since 1929.

Now, Mr. Speaker, as many of the hon. members of this house come from the provinces of Ontario and Quebec I propose, in the few moments left to me, to touch very briefly the financial situation of those two provinces. I find that in Ontario at the time of the armistice the total obligation by way of provincial debt was $250,000,000. That provincial debt of $250,000,000, has grown until now it is over $600,000,000 and the bond obligations alone that have to be met annually out of the taxes of the people amount to $20,000,000. One can cite similar conditions in almost every municipality and every city in Ontario.

The recent financial crisis in the city of Montreal deserves consideration also when discussing this question of debt. The situation had become so terrible that a delegation recently went to interview the premier of that province, Mr. Taschereau, to ask him for guidance and suggestions. The guidance he gave them was so characteristic. so delightfully typical of the stupidity and madness of the present system, that I should like to give it to hon. members of this house. His suggestion was, "If you want to meet your obligations, why not tax the tenants in your city?" Tax the poor devils who are trying to get by, by the skin of their teeth. Well, considering the views of Mr. Taschereau, Mr. Bennett and those of like mind, one is not surprised at the advice; they do not seem to know or to care what is happening to the people of this country. I find that the revenue deficit in the city of Montreal for the current year is set at $6,731,291, with only $4,375,653 available for running expenses.

On this very point in connection with the city of Montreal one should note that the total funded debt, which stood at $119,312,169 in 1921 now has risen to $251,120,694 as of October last, with the result, of course, that the fixed charges have increased so much that for the third year in succession in the annual budget it has become necessary drastically to increase taxation. The budget totals of the city of Montreal have risen from a little under $30,000,000 in 1928 to over $40,300,000 in 1934-35. So large have become the provisions for interest and sinking fund charges that the amount actually available for carrying on the services of the city of Montreal have dropped from $8,839,000 to $4,375,653. To-day the city of Montreal has only half the amount of money required to maintain adequately the services of the city, with the result, of course, that road clearance and other road services have been decreased altogether out of proportion to the requirements of the city, and neither the police department nor the fire department is adequate to meet the

demands that may be imposed upon them. The situation in the city of Montreal is immensely dangerous to the stability of the whole of the Dominion of Canada. In that city there are already some fifteen thousand vacant homes.

Before I conclude, Mr. Speaker, I wish to add my word of support to the proposals made by the hon. member for Wetaskiwin (Mr. Irvine), who introduced this question this afternoon. As a result of my studies of the problem it is my opinion that not only can the debts of this country, individual and public, not be paid, but that it is essential, in the interests of the economic stability of the country, that immediately there should be a drastic reduction in capital obligations. We would not be originating the principle; it has, in part or in whole, already been adopted by at least three principal countries of which I have knowledge. It was done in Germany two years ago, when all capital obligations in the country were reduced by a flat ten per cent. I submit that even a ten per cent reduction in Canada will be inadequate under present conditions. In both Australia and New Zealand there have been definite reductions, principally in interest charges; in one country there was a reduction of 27½ per cent.

I therefore submit to this government that the time has come for the serious consideration by the government of a definite, drastic legislative reduction in capital obligation, particularly the fixed mortgages being carried by the farmer and the unfortunate worker who is trying to pay for his home. Recently in the city of Toronto I ascertained that during the previous week there had been no less than 125 forced sales because people lacked the ability to pay taxes; and the houses were sold over the heads of the unfortunate occupants.

There is one further point, Mr. Speaker. I am in favour of completely wiping out all interest and compound interest from the time this depression commenced until the time the price level will have been restored to the point at which it stood when the greater part of the national obligations were incurred. Anything less than that is just playing with the situation. I make these two proposals because I cannot yet see any intention on the part of this administration of taking the only other step by which it will be possible for the people of the country to do what they honestly want to do, that is, pay their debts. So far as I know there are only four ways in which debts can be paid. Debts can be paid on a rising price level, and by the way interest also can only be paid in the aggregate on a rising price level. The moment the price level becomes static or begins to decline, from that moment on the payment of interest in the aggregate becomes impossible. Any student of the subject can verify that fact. So I say debts can be paid, first, on a rising price level. In the second place debts can be paid by a process which we resent and reject; we do not want it and we do not like it. I refer to repudiation. In the third place debts can be liquidated by bankruptcy, which happens to be the common method. That is the chief method to-day; you have industries, institutions and individuals being steadily and constantly liquidated as this infernal process of financial oppression continues.

The last method by which debts can be paid is by reflation. I submit, Mr. Speaker, that the time has come when this government, if it never did before—and I doubt if it ever did—should take into serious consideration the possibility of assisting the masses of the people, particularly the farmers and the workers, to stabilize their position and to pay some portion of their debts by reflationary policies. But whilst reflation may raise the price levels, the wholesale and even the retail levels; whilst it may raise the price level of primary products, at the same time it would be perpetuating a tremendous injustice on the working class if provision were not made through dominion legislation for the maintenance of an adequate rising wage level to keep step with the increase in the price level. If the government of this country does not understake to adjust things on a scientific, economic basis, then there is no use talking about the restoration of prosperity. There is no use attempting to befool the public with a 47 per cent increase in production in a few industries accompanied by only a 16 per cent increase in wages as anything justifying optimism.

On the question of interest, I submit in support of my contention that it should be completely eliminated from the beginning of the depression until the price levels approximate those obtaining when debts were incurred. I submit that in the middle ages the principle of interest was severely condemned by law, and that the principle of interest as a legal instrument is of comparative recent origin. Secondly, interest to-day leaves less than four dollars out of every five dollars produced by the application of labour to resources to be divided among wages, profits and rent. Thirdly, interest is not paid a person for being actively productive or even because

he has refrained from consuming his wealth, but because he has been unable to consume his wealth. And fourthly, some people—quite a few in this country and in the country to the south of us—have so much wealth that even if they wished they could not consume anything like a reasonable proportion of their incomes. And it is this very type of person who, by drawing further interest on his accumulated surplus, is able definitely to ensure the effective enslavement of most of the people of Canada, both farmers and workers. We can reduce or minimize the effect of this principle to some degree, but only to some degree, so long as the present frame of mind of, I submit, both the larger parties in this house continues. We could reduce the waste of wealth, for example, by refusal to participate in international conflicts. We could declare definitely that, once and for all, Canada is out of everything in the nature of international war, and never again will participate in or be a party to an international war or the accumulation of ghastly death and debt in connection therewith. We could by taxation and, if the government were so inclined, by other means, redistribute national income on a far more equitable basis than obtains to-day. We could, of course, enforce to a much greater degree our usury laws, thereby preventing the appalling overcharges of interest of which some financial houses are to-day guilty.

Mr. SPEAKER: The hon. member has spoken forty minutes.

Mr. GARLAND (Bow River): I therefore add my word of endorsation to the proposals of the hon. member for Wetaskiwin, and with all sincerity I urge upon this government the appointment of a special committee immediately, for the purpose of considering further the resolution of this immensely important question.

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, it is not my intention to detain the house before proceeding to the consideration of the estimates. As a matter of fact, although finding myself very largely in sympathy with the suggestion made this afternoon by the hon. member for Wetaskiwin (Mr. Irvine) I can scarcely understand why this debate about the public debt has taken place on the general motion to go into supply, when that debate was not followed by a specific resolution, except possibly, sir, that a specific resolution would have rendered the discussion out of order.

I see that the committee on estimates has still to consider item No. 1, the interest on the public debt of the Dominion of Canada, and with all due respect to my hon. friends to my left I suggest that that would have been the proper place for a debate on the public debt of Canada. In the second place I am somewhat confused by the attitude adopted by my hon. friends in the far corner of the house. They are this evening, and I believe very properly so, advocating the immediate consideration of the national public debt. My memory goes back over the last two or three years; my knowledge of transactions in this house goes back fifteen years, and I know that on every single item which has come up concerning expenditures of money, and very often rash expenditures of public money, the wholehearted endorsation of my hon. friends who are now members of the C.C.F. was given.

Again, I find another peculiar situation: One of the unfortunate situations in Canada to-day is that our Canadian taxpayer is not able to meet his obligations. I humbly suggest to my hon. friends sitting to my left that one of the greatest causative factors of the present impasse in Canada has been the exorbitant tariffs imposed by the right hon. gentleman opposite. And all this has been done with the support of practically all the members of the C.C.F. In that statement I must exclude the hon. member for Bow River (Mr. Garland). May I suggest, further, that on a former occasion during this session the leader of the C.C.F. said, "I see in this house only thirty members, and only two reporters in the gallery." I wish to recall to the memory of these hon. gentlemen who make eloquent and well prepared speeches and then, leaving the house to its own deliberations, hie themselves to their rooms on the upper floor, that on the first day of March of this session the committee was considering an item which is to be found at page 57 of the estimates for the current year, an item involving an expenditure of $9,559,698. And at a quarter to eleven that evening when this house was considering the item, and discussing whether or not it was just, reasonable and fair, not a single member of the C.C.F. was in his seat.

In regard to the tariff increases which have taken place in the last three years, what do I find? I find that when my right hon. friend opposite raised the tariff on September 19, 1930, many hon. gentlemen in the corner refrained from voting. When on the third reading of the bill the hon. member for Shelburne-Yarmouth (Mr. Ralston) moved a

six months' hoist, how did the hon. member for Wetaskiwin, who made the suggestion this afternoon, vote? Mr. Speaker, he voted for an increase of tariff on two hundred items affecting the taxpaying power of every citizen of Canada. And with him there voted at that time Mr. Milton Campbell, now one of the ornaments of the tariff board of the Dominion of Canada; Mr. Lucas, Mr. Spencer, Mr. Gardiner, Mr. Kennedy of Peace River, Mr. Luchkovich, and Mr. Speakman. Again I must exempt the hon. member for Bow River from that absolutely unpardonable list of 1930.

Then, again in 1931 the hon. member for Shelburne-Yarmouth moved an amendment to the budget, again seeking lower tariffs, and again the C.C.F.—if it still exists in Canada under that name—took a stand for higher tariff. On that occasion there were Mr. Campbell, the same ornament of the same brilliant tariff board; Mr. Irvine, the same spontaneous gentleman who has made his brilliant presentation to the house to-day, but who on that occasion voted for greater burdens upon the taxpayers—and there were Mr. Kennedy of Peace River, Mr. Lucas, Mr. Luchkovich and Mr. Speakman. Again I have pleasure in exempting the hon. member for Bow River from that unpardonable list of 1931!

This evening we have the anachronism of my hon. friends in the corner of the chamber who in the last three years have supported every resolution and every measure to increase taxation, increase expenditures and increase the public debt in the Dominion of Canada—because tariff increases are nothing but increased taxation—we find them now at the eleventh hour advocating decreases in the public debt. I cannot find any possible consistency, Mr. Speaker, in their attitude. Again I should except the hon. member for Bow River.

I regret that I did not know this debate was to take place this afternoon. Hon. members in the corner kept this wonderful secret to themselves, even from hon. members opposite, including the Minister of Finance—

Mr. GARLAND (Bow River): He knew about it.

Mr. MACKENZIE (Vancouver): Then the hon. gentleman and his cohorts extended to the Tory government a much greater degree of courtesy than they extended to us, despite the fact that the hon. member for Bow River and his colleagues—I would not call them conspirators—knew for three years that this was one of the subjects upon which some of us on this side of the house had expressed ourselves repeatedly and with great conviction. It smacks of collusion!

I have not had the opportunity of perusing the figures given to the house this afternoon by the hon. member for Bow River, but I wish without any qualification whatever to congratulate him upon the wonderful mass of material with which he supported his general thesis. I, too, in a humble way, have been seeking after truth and digging up a few figures from the financial ruins of the policies of this government, and may I very briefly place on Hansard two or three salient figures. I wish to approach this problem entirely in a national way.

In the first place I find from figures taken from official sources that on March 31, 1933, the dominion net debt was $2,596,480,826. The dominion guaranteed debt as at March 31, 1933, was $1,024,424,154. The aggregate provincial bonded debt at the end of the various provincial fiscal years ending in 1932 was $1,369,703,667. The indirect liabilities of the provinces at the end of the various provincial fiscal years ending in 1932 was $209,977,397. In regard to the debt of public corporations an approximate figure as of 1932 is $2,097,000,000. Adding those up—I think my hon. friend from Bow River included other considerations—I find that the total debt of this dominion is $8,911,685,036. That, Mr. Speaker, is the problem of our public debt at the present time.

Now I come to the second problem, that of interest, and I find that it is a startling problem. If you take the years from the armistice in 1918 to 1933, the total interest paid by the federal authority directly upon its own obligations was $1,881,944,088. The amount of interest paid by the federal authority on its guaranteed obligations from 1923 to 1932 inclusive was $221,325,715. The figures before 1923 are not available. The interest on guaranteed obligations cannot with any definiteness be ascertained. It seems impossible to find out the figures in this regard for municipalities, but I suggest that when we add up the various figures of interest payments on provincial debt for the thirteen years from 1918 to 1932, the total is $453,528,134, and that the total interest payments for the thirteen years were $571,702,846. Thus we find a total for interest for the provinces and the dominion for those thirteen years of $3,128,500,783, or nearly three and a half billion dollars paid in interest by the federal authority directly, and in connection with guaranteed obligations; by the provincial authority, direct and guaranteed; and by

municipalities, and without including the sums which have been paid to our banks.

I wish also to consider very briefly the question of our tax free bonds. I find that on August 1, 1935, there will mature $874,000 of Canadian tax free bonds at five per cent payable in New York and Montreal; on March 1, 1937, $90,166,900 of Canadian tax free five per cent bonds payable in Canada and New York; on December 1, 1937, $236,299,800 of five and a half per cent Canadian tax free bonds payable in Canada. So that our tax free bond situation will have been solved in 1937. But I desire to say here what I said from this same seat two years ago. I do not see any legal, moral or equitable obligation against taxing these tax free bonds at the present time, considering how they have been gathered into the hands of a very few people, some very eminent gentlemen in Canada occupying high positions, and who in my humble judgment are evading their just and due obligations to the state.

I might traverse the situation as to where the various debts of the dominion are payable. Take first of all the debt of the Dominion, $2,715,989,854. Of that amount practically eighty-five per cent is payable in the dominion, which drives home to me this conclusion, that there are no great difficulties in the way of a conversion loan in the Dominion of Canada. Then $91,040,900 is payable in Canada and New York, $300,000,000 payable in New York, and $311,668,136 payable in London.

I have the figures, but I shall not weary the house by giving them in regard to the countries in which the provincial debts are payable.

I come now to the rates of interest payable on our debt. On November 1 of this year there will be maturing I believe in this dominion, $222,000,000 of five and a half per cent victory bonds, which could easily be converted without the slightest difficulty at four per cent. I am suggesting to-day the voluntary conversion of all our internal obligations in this dominion by cooperation and coordination with the provincial authorities, at a rate not exceeding three per cent all over the dominion. I remember having described in detail two years ago in this house what happened in Australia, and I shall not repeat my remarks this evening, but I have here official documents of the commonwealth of Australia in regard to the premiers' plan, and I have also an article which appeared last week in the last letter of the Royal bank. I do not like to quote even from eminent economists, as my friends to my left are so fond of doing, but may I quote a short paragraph from the last letter from the Royal Bank of Canda by Doctor Marvin, the economist of that bank, in regard to what has happened in Australia:

> In the past few months the surplus of government revenues has proved larger than was anticipated, so that the government has been able to give a fresh stimulus to industrial activity by reduction in taxes and tariffs and by actual refunds of substantial amounts paid in taxes. In the budget for 1933-34 these refunds amounted to 7,490,000 pounds.

Again, and this is the last quotation I intend to give:

> Throughout the depression there was no prolonged period of disequilibrium and disorganization in Australian industry. Productivity, wealth creation, buying power were maintained. The decline in buying power which is brought about in most countries in a depression is the result of the interruption of the creation of wealth—it is not primarily a result of over-production. Those who continue to create have products which can be exchanged within the country and with other countries. In the world depression it was the monetary system which gave way. The history of the monetary policy of Australia will constitute a precedent of vast importance when the next decline in prices creates disequilibrium in world affairs.

So we have, in the first place, the problem of our debt, which to my mind is by far the greatest problem in the Dominion of Canada to-day. In the second place, we have the challenging problem of our interest rates with nearly three and a half billion dollars being paid in worshipping the god of usury in this nation since 1918. In the third place, we have the example of Australia which had a surplus in its recent budget, and I suggest that this government should take immediate action, not to nibble by refunding here and there in small amounts, but to meet the problem boldly; and later on in the session I intend to discuss the question how we can meet the problem of our external obligations so far as our debt is concerned. I support the suggestion made by the hon. member for Wetaskiwin, although I do not believe that a committee of this house will do much good. In the past we have had this question referred to the most able committee of this house, the banking and commerce committee, and where did we get? We got a great mass of bewildering figures, and no concrete results.

There is only one way in which we can solve this problem, and that is for the government of the Dominion of Canada to take action. My right hon. friend the Prime Minister knows as well as I do the direful situation existing to-day among the provinces of our Canadian west and among our municipalities. He can-

not tell me, as he did two years ago, that the remedy applied in Australia cannot be applied in Canada. I do not believe it, because Doctor Marvin in his article proves to my mind the very opposite to be the case. I suggest to the Prime Minister that instead of thwarting the provinces of the west, which are to-day endeavouring to refund their obligations in London, there should be one great cooperative and coordinated policy followed in this dominion, not for the purpose of thwarting the efforts of the provinces which are to-day on the edge of the morass of bankruptcy but of coordinating the policies of this government with the struggling policies of the provinces in western Canada and thereby have a wholehearted and generous policy of voluntary conversion, or compulsory conversion, if you will, in the Dominion of Canada. We should press with resolution, with determination, with courage and with vision towards the solution of what is in my opinion the greatest problem now facing the Dominion of Canada.

Hon. CHARLES STEWART (West Edmonton): Mr. Speaker, I shall detain the house but a very few moments.

An hon. MEMBER: Oh, oh.

Mr. STEWART (West Edmonton): In order that my hon. friend may not feel disturbed, may I say that I do not intend to make a speech to-night. Perhaps he will agree with part of what I have to say, although he has never been particularly fond of agreeing with anything.

I do not intend to cover any of the ground already covered by previous speakers as I do not believe I could throw any new light upon the subject. The public debt of this country, federal, provincial, municipal, and private, is a stupendous burden and one to which I know the government is giving very serious consideration. We may not agree as to policy but any government in the position of the government of to-day cannot help but realize that this is a most serious problem. Some of us believed that inflation would have proved to be helpful at the time it was proposed, but that suggestion was rejected by the government. I see no harm in supporting the suggestion of the hon. member for Wetaskiwin (Mr. Irvine) that a committee be appointed to make a study of this matter. I agree with the last speaker (Mr. Mackenzie, Vancouver) who said that perhaps this committee will not get very far—I do not believe the Stevens committee will get very far or will prove anything that will be worth while—but the people of the country should know that we are thinking about these matters. I am bound to say that they scarcely believe that at the present time.

It is the favorite pastime of the hon. gentlemen to my left to say that both parties are quite indifferent to this serious situation, but I do not agree with them. Both parties have to think about it. I agree with the hon. member for Vancouver Centre (Mr. Mackenzie) who stated that these same hon. gentlemen have changed their front very frequently. I know they have done so during the thirteen years I have been here.

An hon. MEMBER: So have you.

Mr. STEWART (West Edmonton): Not so very much.

So far as I am concerned, I believe that we were right thirteen years ago. Until something is done about tariffs and freedom of trade we will not get very far with the readjustment of our financial system. I believe that this is the root of our troubles; I have always thought so and I shall always continue to think so. I have spent some years in public life and I must object when an hon. member stands up in his place and states that governments have spent money recklessly. I could make the same charge against certain hon. gentlemen in western Canada who have been in public life just as long as I. These gentlemen are colleagues of my hon. friends, and it may be that they have been even more reckless in this regard than the federal government. The truth is that the public demands these expenditures. Pay day has arrived and apparently we are unable to pay. I do not know whether it is going to become necessary to repudiate our debts, but I do know that at the present time we cannot continue to carry the heavy interest burden. I do not intend to enter into a discussion of this matter to-night, although I may do so on a future and more appropriate occasion. There cannot be too much study of this question; there cannot be too much light thrown upon it, and for these reasons I am in favour of the suggestion of the hon. member for Wetaskiwin (Mr. Irvine).

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the most amazing things are said when a discussion such as this is precipitated without a motion of any kind. We had a similar discussion on an amendment to the motion that the house thank His Excellency for his speech. Much of this ground was traversed at that time, and the hon. member for Labelle (Mr. Bourassa) proposes to move an amendment to-morrow to the motion to go into supply, at which time there will be still further discussion. From

three o'clock to six o'clock this afternoon and from eight o'clock up to the present the house has been discussing no motion; it has just been uttering words which have already been uttered this session at least three times. These are the cold facts and we may as well recognize them now as at any other time.

The last two speakers, the hon. member for Vancouver Centre (Mr. Mackenzie) and the hon. member for West Edmonton (Mr. Stewart), have stated that there can be no salvation until this country repents of its tariff policies, until the barriers are removed and the sun shines and all is well in Israel. The hon. member for Vancouver Centre commenced his speech with the most urgent request that we copy Australia, a country which has the highest tariffs of any country in the world; thereby, salvation would be brought about. That country not only has the highest tariffs of any country in the world but it has a great many embargoes and other forms of taxation allied to the so-called tariff taxation. The hon. member for Vancouver Centre must have known that. He must have known that the way in which they worked out their economic salvation was through tariffs—they lessened imports, expanded exports, and reduced adverse balances.

Mr. YOUNG: They tightened their belts.

Mr. BENNETT: They tightened their belts, something which the hon. gentleman apparently does not know how to do. I observe with great satisfaction that he shows evidence of increasing weight. In these days of drought he has been flourishing even as the green bay tree by the water side. But this is always desirable.

I mention these things as an indication of how difficult it is to apply a fixed rule and say that it should be made applicable to all countries. Australia has adopted a method which we are asked to follow, but when we follow it, we are condemned.

I should like to know what hon. gentleman in this house has given as much attention to the debt question as those who sit on the treasury benches. We have been responsible for the effort which has been made to maintain the financial integrity of Canada. I have heard jeers that we should care more for our people than for our credit, but I wonder if there is an hon. member familiar with business who does not know that the salvation of the people depends upon the credit which is maintained for them. How are we to secure the very things which we need in this new country if we destroy our character? Our character is our credit and our credit is our character.

I have listened so often to the observations made by hon. gentlemen opposite and in the far corner, especially the hon. member for Bow River (Mr. Garland), whose principal avocation seems to be the endeavour to induce people to be prejudiced one against the other. If any one has five cents, that five cents belongs to someone other than the person who owns it. That is his theory in life, to incur debts but not to pay them.

Mr. GARLAND (Bow River): The right hon. gentleman is quite wrong; I made it quite clear that I desired to pay the debts.

Mr. BENNETT: I am just saying that his public and private utterances are to incur debts and never pay them.

Mr. GARLAND (Bow River): That is incorrect. The right hon. gentleman has no right to say such things of me and he knows it.

Mr. BENNETT: I know that what I am saying is correct.

Mr. GARLAND (Bow River): He knows that is not correct.

Mr. BENNETT: To incur debts and not pay them, that is his policy.

Mr. GARLAND (Bow River): That is not correct.

Mr. BENNETT: To incur them privately and publicly and not pay them. What is more, to-night we have listened in this house to the doctrine that it is all right to repudiate, to take compulsory action in connection with the payment of debts.

Now, sir, I put this to the house: Who is more apt to think seriously of this problem? Those who have the tremendous responsibility of endeavouring to deal with it, or those who have not—those who have the responsibility of endeavouring to see that this country does not default, or those who have not? Who has the most serious part of it? Who has the obligation? Who is thinking of it most constantly, not in terms of political advancement, but in terms of responsibility to the country he serves?

We found here, as hon. members know, two and a half billions of debt, most of it incurred in a great war, carrying rates of interest as high as 5½ per cent; and one of the first things we did was to endeavour to convert part of the debt. I was told it could not be done; I was told by high authorities that it could not be done, and yet we appealed to the country to convert 5½'s to 4½'s. I personnally should like to have gone lower, but I was

told it could not be done. However, we converted it into 4½'s to the extent of $640,000,000 odd, since which time we have made further conversions, so that over $800,000,000 of debt has been converted into a lower rate of interest.

Now one of the problems with which this government is dealing, I think I can say every day of its life, is the problem of how this interest burden can be lessened. Last week I spent three hours with the representatives of all the mortgage lending associations in Canada—an hour and a half in the morning and an hour and a half in the afternoon. I find, for instance, that one of them has borrowed $30,000,000 from various investors throughout the world and has issued certificates or receipts which carry a rate of interest of 5 per cent per annum. I may say I was greatly surprised that the rate was so high. In another instance it was some $29,000,000, in which almost the same figure is applicable. That money comes to Canada and is loaned to farmers, to merchants, to owners of property on first mortgages, and the rate received is 6, 7 and in some instances 8 per cent. I found to my surprise that one of the insurance companies lending in western Canada, after having written off substantial sums of money, had received as an average on its investments in the west 4.87 per cent.

Mr. YOUNG: Net?

Mr. BENNETT: That was net payment, yes—4.87 per cent. I found that that rate was much lower than many of the loan and trust companies were paying for the funds which they were lending.

Mr. STEWART (Edmonton): Rural and urban?

Mr. BENNETT: All their investments in western Canada, yes. I was amazed to find the extent to which moneys had to be written off. I was amazed to ascertain the extent to which foreclosure proceedings were not being resorted to because there was no desire to take possession of property and then have it operated either on a crop payment basis or on any other basis that might be arranged between owner and tenant.

Some hon. gentlemen opposite are associated with life insurance companies as directors and they know perfectly well that life insurance would not last over the evening if there were no such thing as interest. I have heard to-night in this chamber a denunciation of interest. But the whole theory of life insurance is predicated upon interest being paid, and the ability of all our life insurance companies is predicated upon the ability to lend certain sums of money, taken as premiums, at interest, so that the value of the fund thus accumulated will, at the expiration of a date which is determined by the mortality tables, at a rate of interest not less than 3½ per cent produce sufficient to pay the contract under the policy. Now that is a factor that we must keep in mind in connection with all our conversion plans.

Where are our securities? The hon. member for Vancouver Centre (Mr. Mackenzie) said they were payable at certain points. If they were lodged or domiciled where they are payable the situation would be simple; but they are scattered over every part of the world. I fancy there is hardly a state in the American union that has not at the present moment citizens who hold Canadian securities, either municipal, provincial or federal. Some of them are payable in Montreal and Toronto and in other cities of Canada; some are payable in New York as well as in Canada; and some are payable in London, in New York and in Canada. That complicates tremendously the task which faces us. In Great Britain their debt was converted into perpetual 2½ per cent consolidated fund debentures—consols so-called. They are perpetual. At present they are selling at £79 for £100. Now, I have been convinced, as the result of my inquiries and of my knowledge of debts of this country, that it is quite impossible to consolidate municipal, provincial and federal debts into one obligation. That would seem to be impossible. It would seem to be impossible to consolidate provincial and federal debts unless the provinces are prepared to make concessions with respect to the incurring of future obligations to an extent which thus far they have indicated they are not prepared to do. Therefore we are faced with a situation in which, if we consolidate the debts of the provinces and the dominion into a perpetual 3 per cent security, as has been thought of, or a perpetual 3½ per cent security, provincial debts being guaranteed by the federal government for the purpose of making one consolidated issue, we shall be confronted with grave difficulties. There was a governor general of this dominion who urged that the constitution should be amended so that the provinces would have no power to create the form of legislation that has been suggested here, namely, retroactive or repudiating legislation. Leaving that for the moment, whether it could or could not be done, whether the province should or should not repudiate its obligations, whether or not it is desirable that the provinces and the dominion should unite to create

one form of consolidated security, as has been done in some countries, I only point out that to do so is a matter of tremendous difficulty, first because British Columbia, for instance, has a very large proportion of its debt payable in London, and it has a very substantial sinking fund, the largest of any province in the dominion. The province of Alberta has a very substantial part of its debt payable in the United States and part of it in Great Britain. The province of Saskatchewan is exactly in the same position, as are the provinces of Manitoba and Ontario. Quebec has a lesser part of its debt payable in the United States, a larger part payable in Great Britain and Canada, and the two provinces of New Brunswick and Nova Scotia have debts which are payable at home and in Great Britain, with some small sums payable in the United States; while the small debt of Prince Edward Island need not be considered. To consolidate the debts of the provinces would involve either consent on the part of all who hold the securities in Great Britain, the United States, Canada, and other parts of the world, or the repudiation by the provincial legislatures of the obligations created. Can we contemplate the latter, and can we enforce the former?

Second, with respect to the dominion, it will be recalled that Mr. Goschen made the great conversion of British obligations under circumstances that involved freedom of choice on the part of the holders of the securities in the first instance, even as Mr. Chamberlain did with respect to his two and a half per cent loan. But in Mr. Goschen's plan there was a provision that compelled the holders to convert after a certain given length of time had elapsed. It will also be recalled by those who are students of history that Mr. Gladstone at first supported this view and later, because of its involving repudiation of a contract, he departed from his support to Mr. Goschen and took another view. I put to the house this simple proposition: Can this Dominion of Canada, a young country seeking capital, on the threshold of greater development than it has hitherto had, maintain its position among the nations of the world if we now either default or repudiate? Those are the alternatives and we might as well face the situation frankly. To default would be something that would cause every man, woman and child in this country capable of thinking, great food for thought. Canada has not been built up by men and women who are anxious to repudiate the obligations created by themselves or their fathers.

As to the second point, repudiation, we have, as the hon. member for Vancouver Centre (Mr. Mackenzie) said a moment ago, in the United States of America a large debt, that is the debt of the railway companies which is guaranteed by the dominion and the provinces. With respect to that part of our debt guaranteed by the provinces, the dominion has assumed responsibility for payment of the interest. For instance, in Nova Scotia, there is the Halifax and Southwestern; in Ontario, the Canadian Northern Ontario. In Manitoba the lines are so numerous I shall not take time to mention them. There are the Grand Trunk and Canadian Northern lines in Saskatchewan; the Grand Trunk Pacific and Canadian Northern lines in Alberta, and the Canadian Northern British Columbia line in British Columbia. With respect to all those the dominion is paying the obligation not because of any agreement, but by reason of the consolidation of those roads into what is known as the Canadian National system. Those securities, as I said a moment ago, are held almost everywhere. The hon. member for Vancouver Centre seems to have some idea of the magnitude of the task in connection with these matters because he mentioned that there might be difficulties with respect to them. But the difficulties are quite the same whether they be direct obligations or indirect obligations of the country. The securities are held beyond the reach of our parliamentary arm.

Mr. MACKENZIE (Vancouver): That is the point I made.

Mr. BENNETT: Yes. But we could do this: We could say that we shall not pay more than three per cent upon any of those securities. What would that mean to the world? I just put it to the house: What does it mean to any of us? What does it mean if, with my note at the bank bearing interest at six per cent: I walk into the bank and say that I am going to pay three per cent. Do hon. members think I would borrow money there readily again? Someone suggests that the banks might be glad to get it. They might, if I had nothing but three per cent, but if I had anything more than three per cent with which to pay, they would probably endeavour to collect it.

With respect to a nation the position is somewhat different. You cannot sue a nation. You could not sue the Dominion of Canada. Who are the holders of these securities? They are primarily the insurance companies, primarily those who, for the purpose of meeting contracts maturing in the future, have invested in these securities on the basis of their yielding somewhat a higher rate than three

and a half per cent to take care of contingent losses that may arise by reason of fortuitous circumstances. Every hon. member, if he will think for just a moment, will realize, will understand that. Second, there are the estates in trust, trusts that have been created by, say a great foundation, for caring for the sick, the afflicted, or for scientific research. Hon. members know where, for instance, two or three of the large foundations have made their investments. Third, you come to the private trusts, cases in which families have provided for their children and grand-children and have invested their trust funds in the securities of the country on the assumption that they would pay the rate of interest which they had promised to pay. Lastly, there are those private investments which have been made by individuals for their old age.

Let me give the house just one illustration of the other side of the picture. The other day I had a letter from a gentleman who said: "I am an old man." He gave his age; I cannot quite remember, but I think it was in the vicinity of seventy. He said: "During my life I have saved so many dollars which I have invested in Dominion of Canada bonds, and I hope, Mr. Bennett, they are not going to reduce the rate of interest, for if they do I cannot live." That is the last class I put before the house, and I have gone over them all. There seems to be an idea in the minds at least of some people, that the rich hold all those securities. As a matter of fact the rule generally is that the rich vary their investments, because it is an essential rule of the Anglo-Saxon people in connection with investments that they should be varied and that too much should not be invested in any one security. The result is that the Anglo-Saxon, shall I say, contemplates the possibility of there not being a loss in everything, so his investments are scattered over a wide field. Nothing will convince hon. members so clearly upon that as to look, some time when they may have an opportunity, upon the inventory of the estate of a deceased Englishman of some wealth, who has died in England and whose will may have come here for probate. It will be found that he has varied his investments; he has very seldom any large sum in any one security, but he scatters his investments over everything in which he can invest. I have given the list of those with whom we have to deal.

Now let us go back. First of all we come to the small man and we tell him that we are not going to pay any more than three per cent on his investment. I have indicated to the house how he feels about the matter. I go to the trusts and it may mean the difference between just an existence and inability to keep their heads above water on the part of those who are dependent upon funds from a trust. I go to the next, the public foundations, and there I find an immediate curtailment of revenue. Who has not looked at the list of securities held by the universities and observed the curtailment of revenue that has taken place during the last few years? Who has not looked upon the investments of great foundations and observed the result? Then I come to the insurance companies which have to publish a list of their investments, and hon. members who are interested in these matters and have followed them will realize the extent to which this action of repudiation on the part of our country would affect that business. I thought the hon. member for West Edmonton (Mr. Stewart), who said we do not often agree, was perfectly fair when he said these considerations are present in my mind every day of my life; so long as I am in this position that will continue to be so. There is no other single problem about which I have thought so much, to which I have given more attention or in which I have sought information from as many sources, there is no field of information that I have not explored from the standpoint of securing the views of those who might be able to assist us.

I am not unmindful of what was said by the hon. member for Vancouver Centre with respect to our tax exempt securities. I have analyzed that matter too. I may say that I did not favour tax exempt securities, but that does not prove a single thing in the world except that my opinion at that time was one thing and other people who had the responsibility which I did not have held a different opinion. But I just put this to this house: despite what has been suggested to the contrary these tax exempt securities are held largely by estates. I happen to know of two or three cases; the first thing they did, when they came into funds, was to pay a premium and avail themselves of the opportunity of investing in tax exempt bonds, because they felt there might be such an increase in the income tax that the revenue which was looked to for certainty would thus become uncertain and unstable, whereas with a tax exempt bond, even bought at a high premium, there was absolute stability and security as to the revenue that would be derived from the trust. It will amaze hon. members of this house, on investigation, to learn the extent to which these securities have been issued in bearer form, and in that form they have been scattered over almost every country in the world. The coupons come in,

I should not say from every country in the world but from an amazing number of countries. They have been a favourite form of presentation, shall I say, for trust purposes. A godfather desires to give a child a present; he selects a thousand dollar bearer bond of the Dominion of Canada, tax exempt, bearing interest at 5½ per cent. A small trust fund of a few thousand dollars is to be set up; this is a favourite method to be followed. A larger trust fund, perhaps a foundation, desiring to have a certain revenue to a fixed date, 1937, may also follow this method. While my mind is always open to conviction and my opinions change with enlightenment and knowledge, I can only say that I have formed the opinion that no effective conversion of this country's obligations, nationally, can be carried out in any proper form as long as those tax exempt securities are outstanding, and that means 1937, three years hence.

I merely give this to the house as my view at the present moment, not that it might not change, and I may say that this is nothing new as far as I am concerned. If hon. gentlemen are interested they will find that when I sat where the hon. member for West Edmonton now sits, or in the seat beside him, I urged this house and the then Minister of Finance to enact legislation that would compel the insurance companies to invest their reserves in a consolidated debenture of the Dominion of Canada carrying interest at 4 per cent. Financial papers denounced that as confiscation, and nothing came of the suggestion. During the war, however, we did insist that the insurance companies should invest their reserves in our bonds, and they did so. I am happy to say that as a result of the action that has been taken by the administration during the last few months and years there has been an increasing investment by the insurance companies in Canadian securities. Those of you who are interested will find, from a perusal of the reports made by the insurance companies, the extent to which that is so. Only last week, for instance, a financial gentleman here from New York told me that one of the greatest private investment houses in the world suggested the buying of Canadian securities. In a world of suspicion, of doubt and unrest; in a world where values have been so changed by legislative action and experiment, where the standard of values has been changed from week to week and month to month, whatever else may be said, at the moment this country enjoys the reputation of having met its obligations in the terms of its contracts. I have been laughed at for making those observations; I do not mind that. We have the reputation of having maintained our financial integrity during all the stress and strain through which we have passed. It might be of interest to some of those who attack what we have been doing to read the observations made in that regard in the Senate of the United States and in some continental parliaments.

We have been governed by two considerations, Mr. Speaker. One has been that if we desire to convert, as we do, we can do so only by maintaining our integrity to the last dot, in order that conversion will have about it some evidence to ensure that we will pay what we undertake to pay. The second consideration has been that in making a readjustment and conversion in this country, with our geographical position and with the richest country in the world immediately to our south, and with our obligations scattered throughout the world and payable in three countries, Great Britain, Canada and the United States, we must hesitate before we endeavour by legislative action to repudiate the contractual obligations we have incurred with those who have loaned us their money. Those considerations have guided your government in endeavouring to deal with these problems. We have a clear sense of the necessity of reducing interest charges and we have reduced them by $9,000,000, but that has been almost made up by the additional borrowings we have had to make in order to meet the situation.

There is one other point we must keep in mind, sir, before we can talk about conversion at all, according to the advice given me by what I conceive to be the soundest financial men in the world, whether they be in Great Britain or in the United States. We must deal with our railway problem, for there can be no conversion of our national obligations as long as we have to provide a million and a quarter dollars per week for the railway deficit. To-day the Minister of Finance (Mr. Rhodes) tabled the supplementary estimates for the year ending March 31, 1934, this year, and you will observe that the sum for which we are now asking is $52,263,819.65, plus certain additional sums with respect to the maritime freight rates, which have already cost us $6,600,000, and with respect to the West Indies service, to which we are obligated by treaty. Sir, the entire obligations of the Canadian National for last year necessitate the taxpayers of this country finding $68,000,000, or something over a million and a quarter a week. Of course it is easy for hon. members opposite to say we cannot do

this thing. The answer, sir, is that we have done it and we must do it or lose our reputation. There is no half-way house. There can be no caring for the poor, no caring for our population unless our reputation is maintained so that we may secure additional funds for the development of this country. And it is for the purpose of enabling us to deal with our own people and deal with the problems of the future that we have been so much concerned about the maintenance of our credit. So long as that million and a quarter a week stands as an obligation for the Canadian people to meet, I believe, sir, that the problem of conversion is almost, if not wholly, insuperable. That is the reason we asked this house and the Canadian people to give the greatest possible opportunity to the trustees to enable them to demonstrate the extent to which it may be possible to restrict losses, to restrict expenditures and to maintain some service on our railways for the Canadian people. That is the reason. And of course you cannot have palace cars running into remote communities; you cannot have daily service; you cannot have two trains running where one will do the business, if we are to accomplish anything.

If I knew of any other way than the one this board of trustees is endeavouring to follow, I would gladly suggest it to this house and ask parliament to accept it. For, might I say to hon. members, as Canadians, that there are matters in connection with which party considerations never cross one's mind. With respect to raising the revenues to meet the tremendous obligations of our country I do not think even our bitterest enemies could suggest that considerations other than those of necessity have governed the action which we have taken and must continue to take.

It is all right, Mr. Speaker, for our friends to criticize; it is all right to condemn—but for the moment the responsibility is ours. The obligation to maintain the credit of Canada rests with us, not with them. And despite the weaknesses of frail humanity, we strive day and night, to the extent of our physical strength and our intellectual power to devise ways and means that this country may not repudiate its obligations, lose its financial reputation and bring disaster and ruin upon our people. In that task we have succeeded, and with that task we will engage ourselves so long as we occupy the position we are now occupying. Whether or not any good purpose can be served by the production of masses of figures to show that men cannot pay the debts which they promised to pay is open to question. The other day I dealt with a group of mortgage organizations, showing them that the farmer would have to produce two bushels of wheat to pay the debt which he was able to meet with one bushel when he incurred it, but all that is not a reason why we should repudiate our debts. It is a reason why we should endeavour to place the farmer in a position where he will get sufficient money to be back where he was when he incurred his debt.

That is the difficulty with all debts payable within a term longer than a year. Any debt payable within a term longer than a day is based upon the possibility of there being great changes. No man knows when he promises to pay $1,000 three years hence with interest at five per cent per annum that commodity prices which would enable him to discharge his obligation with *X* bushels of wheat or *X* bushels of potatoes shall have so changed that he will have to pay *X*-plus in every instance. In some days it has been *X*-minus. I recall debts in western Canada which were paid off with three dollar wheat. I recall debts in western Canada paid off with two-dollar wheat—debts which were incurred on the basis of $1.25 or $1.40 wheat. I recall these things, because for thirty-seven years I lived in western Canada, and I am not unmindful of the fact that debts incurred on the basis of commodity prices being *X* have been paid when commodity prices were *X*-plus; and the "plus" was so great that it could hardly be recognized, with respect to the *X* to which it was added.. These are facts as old as time itself, as old as the world. I suppose it is the reason why every fifty years they had a jubilee and the debts of the ancient regime were forgiven. That is probably the reason, because interest is no new thing. It is not anything which has been discovered in the twentieth, the nineteenth, or the fifteenth century. It is as old as the very foundations of our civilization, that when a man borrowed money from another he paid for the use of it, and by and by this began to be called interest. Whether or not it has been a wise practice is not for me, with my limited knowledge, to say. This I do know, however, that this magnificent structure of life insurance which we have built up, this magnificent structure of insurance which has dominated the whole of our civilization is predicated upon the fact that money will earn something by way of interest in order that contracts contained in policies may be paid.

I have spoken longer than I had intended. I only desire once more to say that everything connected with this problem, to the extent that

we may be able to investigate it, and with our limited power of understanding it—everything that can be done is being done, having in mind the necessity for converting the debt of this country to a lower rate of interest than that which now obtains.

Mr. GARLAND (Bow River): I rise to a question of privilege. In his speech the right hon. Prime Minister stated that the hon. member for Bow River stood for the incurring of debts and then not paying them, I have never made any such statement either publicly or privately, nor do I hold such views. If the right hon. gentleman had only—

Mr. SPEAKER: Order. The right hon. gentleman was perfectly in order in drawing the inference he did. He may have misunderstood the hon. member for Bow River, but that is not a question of privilege.

Mr. GARLAND (Bow River): I now definitely and unqualifiedly deny any such contention.

Mr. SPEAKER: The hon. member has taken part in the debate in this house, and he will have the opportunity to do so again. Shall the motion carry?

Motion agreed to.

SUPPLY

PENSIONS AND NATIONAL HEALTH

The house in committee of supply, Mr. Maloney in the chair.

National health—
The administration of the acts respecting food and drugs, opium and narcotic drugs and proprietary or patent medicines, including the laboratory of hygiene, $130,000.
Public health engineering, $15,880.
Marine hospitals, including burial expenses of destitute deceased mariners and grants to institutions assisting sailors, $163,500.
The administration of the acts respecting quarantine and leprosy, $150,000.
Immigration medical service, $126,920—Total, $10,334,500.

Mr. HOWDEN: Would the minister explain the reduction of $10,000 in the first item?

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): The amount actually expended last year was $126,818, and it is proposed to vote $130,000 this year. It will be noted that there is a reduction in nearly all of the items in this vote, which is due to the general policy of economy.

Mr. REID: Would the minister explain the reduction in the item for immigration medical service?

Mr. MacLAREN: The appropriation of $126,920 is to cover the cost of medical examination of prospective immigrants prior to embarkation and on arrival at Canadian ocean ports in accordance with section 3 of the Immigration Act, which stipulates that persons who belong to the prohibited classes on account of physical or mental defects shall not be permitted to settle in Canada except as provided in the act. It also covers the operation of immigration hospitals at ocean ports for the observation, care and medical treatment of immigrants needing the same; also the hospitalization of passengers and crews suffering from minor infectious diseases; also the medical examination, care and certification of deportees.

Mr. HOWDEN: Is the inspection service still being maintained in Europe for these cases?

Mr. MacLAREN: Yes. We have one medical officer at Paris and one each at the following ports: Hamburg, Antwerp, Belfast, Glasgow, Liverpool; and two in London.

Mr. HOWDEN: That is a considerable reduction in the number of these doctors?

Mr. MacLAREN: Yes, very considerable. It is less than half the number of immigration officers employed some few years ago. There is close cooperation between this department and the Department of Immigration, and it is on the advice of the Immigration department that these medical officers are placed in the cities I have mentioned, also as to the number employed. Then there are the roster doctors in Great Britain in addition to the regular immigration medical officers.

Mr. VENIOT: With respect to the item of $150,000 for the administration of the acts respecting quarantine and leprosy, would the minister explain the reduction of $12,000?

Mr. MacLAREN: The expenditure last year for the administration of those acts was $145,456.90.

Mr. VENIOT: And the vote this year is based on last year's expenditure?

Mr. MacLAREN: Yes, plus a small margin of about $4,500.

Mr. VENIOT: May I ask if there is any idea of amending the act with regard to leprosy?—the Leprosy Act, I think it is called. For the benefit of the minister I may say that there is a rumour prevalent in the county of Gloucester, which I have the hon-

our to represent, that it is the intention of the department to amend that act, and I should like to know if it is intended to amend the act this year.

Mr. MacLAREN: There is no such intention whatsoever. There has been no such proposal and no consideration of the question from that standpoint. Some eight or nine years ago under a previous administration the question of moving the lazaretto from Tracadie to some other place was under consideration by the department, but nothing was done. That is the only basis I can suggest for the rumour my hon. friend mentions.

Mr. VENIOT: I am glad to learn that there is no intention of amending the act this session. Has a permanent appointment yet been made of medical superintendent for the lazaretto at Tracadie?

Mr. MacLAREN: The appointment of Doctor Ryan was temporary, but he is filling a position which is considered permanent.

Mr. VENIOT: Could the minister state when that appointment will be made permanent? I do not object to the temporary appointee because I think the official is a good one.

Mr. MacLAREN: I cannot say. Most of the appointments now being made are temporary.

Mr. HOWDEN: Are the medical inspectors stationed at the various European centres on a salary basis or do they receive fees?

Mr. MacLAREN: The eight medical officers which were mentioned are on a salary basis, but roster doctors receive fees for their examination of immigrants from the immigrants.

Mr. VENIOT: I should like the minister to be a little more explicit in connection with the permanent appointment of a medical superintendent at the Tracadie lazaretto. If I understand the situation aright, this gentleman has been occupying the position for six or more months. He has moved his family there and the usual time of probation for a temporary appointment has passed. I feel that if the department would recommend to the civil service commission that a permanent appointment be made, it would be made.

While I am on my feet I should like to try to arrive at a better understanding between the minister and myself with reference to the question of appointments to the lazaretto brought up on March 17, 1933. At that time I asked the minister why the temporary appointment had not been made permanent, and the minister replied that the then appointee had been replaced by Doctor Peloquin, I understand from the department. The minister stated that the civil service commission was being requested to make another appointment. I expressed some surprise that the temporary appointee had been dismissed or laid off, and the minister replied that he could not give any reason for this action. The minister is reported on page 3114 of Hansard of 1932-33 as follows:

> I have stated to the committee that his temporary appointment was not confirmed by the civil service commission.

Later on I asked for all the correspondence between the department and the civil service commission, and when I received the file I found that it did not bear out the statement made by the minister. I do not wish to suggest that the minister knowingly gave the wrong information, but I have the file before me and I find that the commission informed the department that they were ready to issue a certificate for a permanent appointment to be effective November 21, 1932. This statement was made in response to a letter from Doctor Heagerty asking the commission if they were prepared to make a permanent appointment. The commission stated that the permanent appointment would be made effective November 21, 1932, provided that certificates of birth, health and character were submitted. According to the file, these certificates were submitted but there was some delay in making the permanent appointment due to the fact that the temporary medical superintendent was also port doctor for Caraquet and Shippigan. It was necessary that he should resign from these positions as he could not continue to hold them and remain medical superintendent of the lazaretto. It was stated that when these resignations had been sent in, the permanent appointment would be made. I find from the file that the temporary appointment was continued by the issuing of monthly certificates by the civil service commission up to and including January, 1933, at which time a certificate was issued for January and February. At page 21 of the file there is a letter from Doctor Heagerty to the civil service commission dated January 25, 1933, in which he notifies the commission that the services of the temporary superintendent would be no longer required because he had not given satisfaction to the department. That being the case, the commission did not issue further certificates. He was not dismissed because the commission refused to issue certificates. It is quite true

that the commission did not issue further temporary or permanent certificates, but they did not refuse to do so; they simply accepted the statement of the department that the medical superintendent was not giving satisfaction and, therefore, a certificate should not issue. I find further from the record that the department asked the civil service commission to appoint another temporary superintendent from the supposed eligible list and to notify the then temporary superintendent that his services were no longer required. The civil service commission replied that they had nothing at all to do with the giving of notice to the temporary superintendent, that that was the duty of the Department of Pensions and National Health. The notice was then sent by the department. The commission notified the department that they could not make another appointment to replace the then medical superintendent because there was no eligible list. The doctors who had applied in the first instance had not qualified, with the exception of Doctor Hache. The commission stated that if the department desired to make another appointment, the vacancy would have to be advertised again. That was done. The minister informed me last session that the civil service commission did not issue the certificate, that it was their business, and that he had nothing further to do with it. According to the record I have here, sessional paper No. 337 that is not so. Now I am not criticizing the minister; I am merely stating facts, not in the way of criticism, but in order to have the record correct, and I say that either the minister was wrong in the information he gave me, or sessional paper No. 337 is wrong. I think the error was made when the minister stated that the commission had refused. The commission did not refuse, but they acted on the advice of the department, and in this regard I simply wish to have the record correct.

Mr. MacLAREN: I fail to see any difficulty or obscurity in the matter. I do not think Hansard will show that I stated that the civil service commission refused to appoint him.

Mr. VENIOT: I did not say that. I read what the minister stated:

I have stated to the committee that his temporary appointment was not confirmed by the civil service commission.

That left the inference that the civil service commission had refused to issue the certificate, whereas it was the department that had refused to recommend the permanent appointment.

Mr. MacLAREN: I should like to know where that extract is from.

Mr. VENIOT: It will be found at page 3114 of Hansard, volume III, 1932-33.

Mr. MacLAREN: What are the exact words?

Mr. VENIOT: I have just read them:

I have stated to the committee that his temporary appointment was not confirmed by the civil service commission.

Mr. MacLAREN: That is quite right; I do not see any objection whatever to that.

Mr. VENIOT: The objection I have is that it left the inference that the commission had refused to give its ratification at the time.

Mr. MacLAREN: That is not the inference I draw from it.

Mr. VENIOT: There cannot be any other inference.

Mr. MacLAREN: Yes, I think there is another inference; and in any case it is not a question of inference but of the record—what I stated. There was a temporary appointment. That requires a certain number of months to be confirmed. Prior to the period of confirmation having been arrived at, the official of the department wrote to say that the appointment would not be satisfactory, or would be unsuitable, or words to that effect, and he asked that the advisory committee be reconvened. That is the action so far as the department is concerned.

Mr. VENIOT: That is not different from what I stated.

Mr. MacLAREN: Then the civil service commission took action and reconvened the committee, and the committee continued to carry out whatever it decided upon doing. That was not the action of the department; it was the action of the civil service commission and of its advisory committee.

Mr. VENIOT: That is exactly what I said, but there is no question about the inference having been left by the statement made by the minister on March 17, 1933, that the civil service commission had refused or refrained from issuing any further certificate to Doctor Hache on their own initiative. I contend that they did not do it on their own initiative but on the initiative of the following letter dated January 25, 1933, signed by J. J. Heagerty, M.D., chief executive assistant and addressed to Hon. W. J. Roche, chairman of the civil service commission, Ottawa:

Dear Mr. Roche,

As the department is of the opinion that Dr. Joseph E. H. Hache, who is occupying the

position of physician to the lazaretto at Tracadie, N.B., in a temporary capacity, and who, as a result of a competition held by the civil service commission led the eligible list—

I may add that he is the only one that passed; the others all failed.

—for permanent appointment is unsatisfactory, I would request that you kindly arrange to reconvene the board to again consider the matter.

If you will have the kindness to notify Dr. Hache at the earliest moment that his services are unsatisfactory, I shall be obliged.

In response to that letter the civil service commission informed the department that it was not their duty to notify Doctor Hache, as he was a temporary appointee, but that it was withing the province of the department to dismiss him and their duty to notify him to that effect, which the department did.

Mr. MacLAREN: That is a pretty fine point, and I am not prepared to admit it. It may be right, but that is not the question that arose particularly, because it is necessary, as I understand, after a certain period for the commission to confirm the appointment or otherwise.

Mr. VENIOT: You asked the commission not to confirm it. That is what you did by this letter.

Mr. MacLAREN: I should like the hon. member to use the exact words, because they are important in this connection.

Mr. VENIOT: I have read Dr. Heagerty's letter.

Mr. MacLAREN: It is true the commission was informed that the appointment was not satisfactory. Then it rests with the civil service commission to complete the act. I remember the discussion that took place at the time, and I recall the hon. gentleman asking why the department had asked for the position to be readvertised.

Mr. VENIOT: Yes, I asked that question.

Mr. MacLAREN: I do not remember at all what answer I gave, but I do know this, that the department never asked for it to be readvertised.

Mr. VENIOT: No; the department asked that the civil service commission make another appointment, a temporary appointment, from what was supposed to be the eligible list.

Mr. MacLAREN: No, excuse me—

Mr. VENIOT: Oh, they did.

Mr. MacLAREN: But I say no.

Mr. VENIOT: But the record shows it.

[Mr. Veniot.]

Mr. MacLAREN: The department wrote a letter to the civil service commission saying that the appointment was not satisfactory and asking them to reconvene the committee. I think the hon. member will find that in the letter.

Mr. HURTUBISE: In answer to a question a little while ago the minister said that the reason for the decrease in this estimate was that it was following the general policy of the government to practise economy, and then he mentioned eight regular medical officers in the different cities who are paid a fixed salary, and the roster doctors. Why could not the department practise economy by doing away with the regular doctors, leaving the work to the roster doctors only? Many thousands of dollars could be saved by putting the examinations under the roster doctors. Economy could be practised in that way.

Mr. MacLAREN: So far as the cost of the present number, I think eight, is concerned, that is a small number for our Canadian medical immigration officers to have in the whole of Europe. It is necessary for us to have two medical men in London so as to keep in touch and consultation with the immigration officials. It is also necessary in the large centres such as Liverpool, Glasgow, Belfast, to have our own men who are responsible to us and who, if they are not qualified to carry out a very important duty, would require to be replaced by other efficient examiners. There is this very great difficulty of having immigrants found, on their arrival in this country, to be unsuitable owing to their physical conditions and therefore having to be retained until they are sent back to their homes. These are people who come out here, who have sold their property, their chattels and furniture and who have made all preparations to take up a new home in a new country, and I do not think it would be wise to depend entirely on roster doctors who are living on the other side and over whom we could not have the same authority and supervision.

About six years ago we had twenty-eight medical officers in Europe. We now have eight. I think my hon. friend will admit that economy is being practised and that the numbers are being brought down to the irreducible minimum.

Mr. HURTUBISE: What are those regular doctors paid? Are they paid a fixed salary?

Mr. MacLAREN: The senior medical officer in London is paid $4,620; the next in London receives $3,720. In London there is an office with a clerk at a salary of $1,860, a second

clerk at $1,800, a stenographer at $1,380 and another clerk at $840. As regards the other cities, there is a medical officer at Liverpool at a salary of $3,360; one at Glasgow at $3,480 with a stenographer at $1,380; at Belfast a medical officer at $3,480; at Paris one at $3,480; at Antwerp one at $3,480 and at Hamburg one at $3,480.

Mr. HURTUBISE: What is the fee for the roster doctors for examinations?

Mr. MacLAREN: Ten shillings, I understand. Formerly the roster doctors were paid by the dominion and British governments, each paying half. At the present time they are paid ten shillings, but not by the Canadian government.

Mr. HURTUBISE: My reason for asking these questions is this: The minister has just told us that the number of doctors has been reduced from twenty-eight to eight. We have been told many times in the last three or four years that the doors were closed to immigration. If so, I do not think we should have a reduction from twenty-eight to eight, but we should have a reduction from twenty-eight to nothing, leaving to the roster doctors the work that is left.

Mr. HEAPS: How many examinations did those doctors hold last year?

Mr. MacLAREN: Let me answer my hon. friend immediately opposite (Mr. Hurtubise) first. It is true that the doors are said to be closed to immigration, but that is to some extent a poetic phrase; it is only comparatively the case. I recall that last year the discussion was as to why we should have a medical officer in Paris; that surely he could not have very much to do there. As a matter of fact more medical examinations are made by our medical officer in Paris than by any of our other officers in the large cities. In Paris last year 1,173 examinations were made by the medical officer. That is the largest number made in any of the communities. The next largest was in Antwerp, 951; Hamburg, 784. It is true that the immigration is very small.

Mr. HOWDEN: Has the minister been able to trace false passes or examinations to the roster doctors? He mentioned a few moments ago that it had been necessary to turn back at Canadian ports some immigrants who had been allowed to embark and he set this forward as a reason why a regular staff of examining doctors should be retained in European centres. Have applicants who have been passed by roster doctors been found to be less suitable than those who have been passed by the regularly employed staff of physicians?

Mr. MacLAREN: If my hon. friend will pardon me, I did not say that this had actually occurred. I say that there is more likelihood of such immigrants being passed by roster doctors than by our own. Why? Our own medical men over there are immigration medical officers and that only. They are trained in that work; it is their daily task. That is a different matter from picking up a country practitioner in any part of England. I do not say that I can actually make a comparison; but I say they are better qualified, their opportunities are much greater and they are much more likely to make a careful and accurate examination than are the ordinary men scattered throughout the country. I do not wish to discredit the roster doctors because they are a useful part of the organization and a convenience to the people in their homes. If they find any difficulty they can always refer to our own men.

Mr. HOWDEN: I was just going to ask if the majority of these examinations were not actually made by the roster doctors in the various parts of the country.

Mr. MacLAREN: Last year the roster doctors made 1,263 examinations.

Mr. HURTUBISE: With regard to Canadian doctors who have been appointed to posts in different European countries, I should like to know if their travelling expenses to their posts and back to Canada are paid by the government.

Mr. MacLAREN: Their expenses are paid when they go but I think the practice has varied with regard to their expenses back; some have been paid and some have not. Some of them have asked to remain where they were sent, and naturally their return expenses were not paid. I do not wish to make a definite statement; I know their expenses are paid when they leave here, and on returning I think they are made an allowance for travelling expenses that is considered fair and reasonable.

Mr. HURTUBISE: Is it understood that when they retire or are dismissed their return expenses are paid?

Mr. MacLAREN: They are paid when they are sent over.

Mr. HURTUBISE: But what about their return expenses?

Mr. MacLAREN: I am not quite sure; I will have to look that up. I believe in most of the cases some allowance has been made.

Mr. HEAPS: I should like the minister to give the committee, if he has the information, the number of examinations made by Canadian government doctors of persons emigrating to this country. I think the minister did give one or two ports, and I should like to have the total.

Mr. MacLAREN: I have the figures here of the immigrants arriving at Canadian ocean ports.

Mr. HEAPS: I do not want the number of immigrants arriving at Canadian ports; I want the number of emigrants examined by Canadian government doctors at the various points in Europe where they are stationed.

Mr. MacLAREN: There were 824 examinations in London, 321 in Liverpool, 475 in Glasgow and 230 in Belfast, or a total of 1,850.

Mr. HEAPS: Has the minister the information with regard to the other ports?

Mr. MacLAREN: There were 1,263 examinations by British roster doctors and 2,908 examinations by Canadian medical officers on the continent.

Mr. HEAPS: I notice that at some points there are only eight or ten examinations a week. Are we paying those medical officers $3,400 a year to make those examinations?

Mr. MacLAREN: They are paid that salary, which includes their living expenses and rent, and which in the case of married men supports their families.

Mr. HEAPS: If about 400 examinations are made at a cost of $3,400 a year, does the minister not think that is rather expensive as far as the government is concerned?

Mr. MacLAREN: These men are qualified medical practitioners and the positions cannot be filled except by those who have acquired a medical education. I believe these men are worth their cost which in any case is not large. What was my hon. friend's calculation as to the number of examinations?

Mr. HEAPS: In Belfast there were only 230 examinations a year.

Mr. MacLAREN: I am taking the total, which is 6,021. If that is divided among the eight medical men it means something like 752 examinations by each man per year.

Mr. HEAPS: That is just a little over two a day, is it not?

Mr. MacLAREN: It must not be assumed that this is the only work they do. They have charge not only of the seaport at which they are located but of a large area in addition, and they supervise and check up the roster doctors. I do not say it is a very laborious position, but the work is necessary and important. I think the exclusion of unhealthy people is an important matter, and I do not know of any other system by which you could carry on this work at the same low cost.

Mr. LUCAS: I notice that the vote for the administration of the acts respecting quarantine and leprosy has been reduced by $12,000. Has there been a reduction in the number of lepers in Canada. Where are lepers housed at the present time, and is scientific medicine making any progress in curing the disease?

Mr. MacLAREN: At the present time there are fifteen cases of leprosy in the two lazarettos, one at Tracadie in Gloucester county, with which the hon. member for Gloucester (Mr. Veniot) is familiar, and the other at William Head in British Columbia. The cases at the William Head lazaretto are confined to Chinese, there being five of them. Of the ten at Tracadie only four are Acadian. The history of leprosy goes back about ninety years in that area of the country. I can recall visiting Tracadie lazaretto about thirty years ago, at which time there were between twenty and thirty cases, all from the surrounding district. To-day out of a total of ten there are only four cases which have come from the sea coast area, or are connected with Northumberland and Gloucester. It is interesting to note that the last case from the surrounding country was in the year 1919. In other words, there have been no new cases of leprosy drawn to the attention of the authorities for fifteen years. That, I suggest, is a hopeful outlook, and I believe we may look forward with confidence to the disappearance, within a reasonable number of years, of the affliction. In most cases the illness is long, and ten years is not long in its history.

Then, I believe I was asked the results of treatment. My reply is that more especially in recent years, good results have been obtained. Occasionally the case becomes quiescent or inactive, and I believe this development is becoming more prevalent.

Mr. LUCAS: Have any cases been cured?

Mr. MacLAREN: I would rather put it this way: Have any cases been arrested? If I asked my hon. friend how many cases of tuberculosis were cured he would not answer me. He would say, "Well, they have been arrested, or apparently cured." To say that

an ailment is cured is making a very strong statement, especially when we are referring to tuberculosis or anything of that nature. I say that the progress of the application has, in some cases, been arrested and, in a few, apparently cures have been made. I do not like to say definitely however that a cure has been made.

Mr. LUCAS: Have they been arrested sufficiently to leave the hospital?

Mr. MacLAREN: Yes, several of them. I am reminded that one patient is leaving Tracadie to-day because of the fact that the condition of the patient has become arrested. Sometimes patients are examined for a year or longer to make sure that the bacillus of leprosy is not present.

Mr. VENIOT: Mr. Chairman, I must come back to the appointment of a medical officer at Tracadie, because I feel it is of great importance that a permanent appointment should be made immediately. In order to back up my statement I wish to place on record a certificate signed by J. J. Heagerty, chief executive assistant, Department of National Health. On the same certificate are the words "I concur" over the signature of "Mr. MacLaren, Minister of Pensions and National Health." The certificate is as follows:

Certified that the position of medical officer, grade 1, Tracadie, New Brunswick (H-Q-95), will become vacant on November 23, 1932, in consequence of the retirement of Doctor J. A. Langis.

I am now referring to a permanent appointment.

This position is that of medical officer in charge of the leper station at Tracadie and it is considered that the public interest will suffer if the position is not filled.

Then, the following is a letter dated September 15, 1932, from J. J. Heagerty, M.D., chief executive assistant, addressed to the secretary of the civil service commission:

Your File H-Q-95

Dear Sir:

With reference to your communication of the eighteenth August, regarding the position of medical officer, grade 1, at the lazaretto, Tracadie, N.B.

I am now forwarding requisition for permanent appointment in this case. It is essential that this position be filled by a permanent appointee and I am attaching a certificate signed by the hon. the minister to this effect.

As Dr. J. E. Hache has been declared the successful candidate, it is requested that a certificate of permanent appointment be issued in his case, with effect from the 23rd November, 1932.

This position is included in the recommendation to the treasury board, as called for in the minute of that board dated July 18, 1932, and provision for salary has been made in the vote concerned for the present fiscal year.

I have another letter on the file, dated Ottawa, September 30, 1932, and addressed to J. A. Amyot, deputy minister of Pensions and National Health, and signed by W. Foran, secretary of the civil service commission. It reads as follws:

Dear Sir,—

Re permanent filling of a position of medical officer, grade 1, Tracadie, N.B.

With reference to the question of the filling of the above position in connection with which you forwarded a requisition for permanent appointment, 6-275-B of the 15th instant, I am directed to ask you to advise as to the grounds on which you consider it necessary to make a permanent instead of a temporary appointment to this position.

The reply to that from Doctor Heagerty, addressed to the civil service commission, is as follows:

Ottawa, October 5, 1932.

Your File H-Q-95

Dear Sir,—

I have your letter of the 30th September, on the subject of the application made by this department for the permanent filling of the position of medical officer, grade 1, Tracadie, N.B.

The appointee to this position is responsible for the custody and treatment of lepers detained at the lazaretto. This calls for his full-time services, and he is not allowed to engage in private practice.

As the lazaretto is more or less isolated, during the winter months especially so, the medical officer in charge is called upon for a certain amount of self-sacrifice in the appointment of his duties.

One essential point is that the patients should have full confidence in the physician who is in daily contact with them as the medical treatment given is one of long duration and, very often, difficult to administer.

For the reasons given above it is considered advisable that only when absolutely necessary should a change be made in the appointment of the medical officer in charge of the lazaretto, and this vacancy therefore should be filled by a permanent appointment.

That was on October 5, 1932. I maintain, sir, that this position has been filled by temporary appointments since, I think, the month of September 1932, and I claim that now owing to the importance of the position, and basing my argument especially on the reasons given by the minister himself and by his officials as to the importance of a permanent appointment being made, no longer should there be a temporary appointee in charge of the lazaretto, but a permanent appointment should be made forthwith. I un-

derstand that the doctor in charge is quite capable, and I have no criticism to make of him. I suggest that he should receive the permanent appointment not only to carry out the wish expressed by the minister himself in 1932 but also to satisfy the needs of that institution.

Mr. MacLAREN: I am pleased to say, Mr. Chairman, that I am most willing that the medical officer there should be appointed permanently. He has been satisfactory, and has been well received by the people of the community. My understanding is that at the present time he is holding a permanent position temporarily, if I may say so. It has been the practice of council in the past year or more to make no permanent appointments, and that is the only reason that this official has not been appointed absolutely permanently. I shall, however, make another effort to have this appointment confirmed permanently. I am quite satisfied with the incumbent, and I am simply pointing out that the practice has been very general in the last year or two that appointments to the civil service have been temporary and not permanent.

Mr. VENIOT: With further reference to this appointment at Tracadie and to temporary appointments, in order to set out the position correctly I wish to place on Hansard some of the communications which I find on this file in connection with the first temporary appointment. At page 28 of the file I find a letter signed by Doctor J. J. Heagerty, M.D., chief executive assistant, addressed to the secretary of the civil service commission, Ottawa, and reading as follows:

Ottawa, November 21, 1932.

Dear Sir,—

With reference to your letter of the 30th September and my reply thereto of the 5th October, regarding the permanent filling of the position of medical officer, grade 1, Tracadie, N.B., rendered vacant through the retirement of Dr. J. A. Langis:

I should be glad to know if a certificate will be issued in the case of Dr. J. E. Hache. I would point out that at the present time Dr. Hache is occupying the position under temporary certificate which expires on the 30th instant, and this department, therefore, has no authority to pay his salary beyond that date.

I wish to put on record another letter signed by W. Foran, secretary of the civil service commission, addressed to Doctor Heagerty, and dated November 23, 1932:

Dear Sir,—

With reference to your communication of the 21st instant, file No. 6-275-B, and previous correspondence recommending the permanent appointment of Dr. Joseph Edmond Hache as medical officer, grade 1, in the quarantine branch of Tracadie, N.B., I am directed by the commissioners to inform you that in view of the particular nature of the work which this employee is performing they have agreed to his permanent appointment, effective the 23rd November, 1932.

A certificate of permanent appointment will be issued in his favour when the necessary evidence regarding his age, health and character is on file, in which connection Dr. Hache will be communicated with direct.

At page 26 of this sessional paper there is a letter signed by Doctor J. J. Heagerty, chief executive assistant, and addressed to J. E. Hache, leprosy lazaretto, Tracadie, N.B., and dated Ottawa, November 28, 1932:

I am informed by the civil service commission that a permanent certificate covering your appointment as medical officer in charge of the Tracadie lazaretto will be issued when the necessary evidence regarding your age, health and character has been furnished to the commission.

In order to prevent any delay, would you please have that information sent to the commission as soon as possible.

Another letter dated Ottawa, December 28, 1932, signed by Doctor Heagerty, and addressed to the secretary of the civil service commission, reads as follows:

Dear Sir,—

With reference to your letter of the 23rd November regarding the permanent appointment of Dr. J. E. Hache, as medical officer, grade 1, at Tracadie, N.B., I should be glad to know if you are yet in a position to issue the necessary certificate.

Which all goes to show, Mr. Chairman, that the department was anxious to have a permanent appointment made, and all the more reason now that that permanent appointment should be made without any further delay.

The next letter appears on page 22 of the file. It is dated January 17, 1933, and is from Doctor J. J. Heagerty to the secretary of the civil service commission. It reads:

Pending the settlement of the permanent appointment of Dr. J. E. Hache, medical officer, grade 1, at Tracadie, N.B., it is requested that the temporary certificate issued in his case be extended for a period of two months from the 1st January, 1933, in order that this department may be in possession of authority for the payment of salary due.

The next letter is found on page 21. It is dated January 25, 1933, and is from Doctor J. J. Heagerty to the Honourable Doctor W. J. Roche, chairman of the civil service commission. It reads:

As the department is of the opinion that Dr. Joseph E. H. Hache, who is occupying the position of physician to the lazaretto at Tracadie, N.B., in a temporary capacity and who, as a result of a competition held by the civil service commission lead the eligible list

for permanent appointment, is unsatisfactory, I would request that you kindly arrange to reconvene the board to again consider the matter.

If you will have the kindness to notify Dr. Hache at the earliest moment that his services are unsatisfactory, I shall be obliged. May I have a copy of the letter you send to Dr. Hache.

There then follows a letter from Doctor Heagerty to Mr. Foran of the civil service commission. This is dated January 27, and reads:

Re: Position of physician to leper lazaretto, Tracadie, N.B.
Competition No. 22,160

Dear Sir,—

I am informed that Dr. Bourgeois, Tracadie, N.B., was one of the applicants for the position of physician to the leper lazaretto at Tracadie, but that his application arrived too late for consideration by the board.

As the services of Dr. J. E. Hache, who was temporarily appointed, have not been satisfactory, I have requested that the board be reconvened. Meanwhile, if it is permissible to do so, I should be obliged if you would let me have, confidentially, particulars regarding the qualifications of Dr. Bourgeois and the recommendations submitted in his case.

The commission replied that they had no record of Doctor Bourgeois having made an application in the first instance, and, therefore, the commission could not make any recommendation or give any details in that regard. The department had expressed in one of the letters the desire to have a temporary appointment made from the eligible list but then asked for recommendations from the commission with respect to Doctor Bourgeois and not with respect to the other applicants who were on record in the department. My main object in placing these letters on record is not so much criticism of the action taken by the department as to emphasize the necessity of having this appointment immediately made permanent. I desire to thank the minister for having stated that he will endeavour to have this done right away.

Mr. ROSS: There is one item covering public health engineering service, and I should like to know just what that includes.

Mr. MacLAREN: This appropriation is for the administration of the Public Works Health Act. It covers supervision as regards public health on railways, boats, ships and all other methods of transportation, and includes the enforcement of the regulations concerning water for drinking on vessels navigating the great lakes and the inland waters and on common carriers engaged in international and interprovincial traffic. It covers the supervision of the federal public buildings with a view to promoting the health of civil servants and other government employees. It includes the enforcement of the rules or regulations made by the International Joint Commission pursuant to the treaty between the United States of America and Canada in connection with boundary waters. It deals with questions of public health which arise between these two countries. Perhaps the most important work carried on under this vote is the controlling and checking up of the proper supplies of drinking water on the great lakes and the rivers. I think there is evidence that this supervision has been effective in the diminution of typhoid fever among those travelling on these boats.

Mr. HOWDEN: Is a grant to be made to the Canadian Council of Social Hygiene?

Mr. MacLAREN: Not this year.

Mr. HOWDEN: I assume that most hon. members are familiar with the work being done by the Canadian Council of Social Hygiene. The movement originated in Toronto some years ago when a number of influential people formed themselves into a group, having realized the appalling inroads which venereal disease was making among the Canadian people and the people of the world at large. Through various forms of propaganda, such as the issuing of pamphlets and the showing of moving pictures, they managed to make a decided advance in the control and betterment of conditions. Among other activities, with the aid of the provincial and federal governments they established depots for the prevention and cure of venereal disease. The government has rightly taken control of leprosy and has provided the means to isolate and treat those who suffer from this disease but I repeat what I said in this house on another occasion, that I am perfectly safe in saying that for every case of leprosy in Canada there are probably a thousand cases of venereal disease. This disease is an even more serious menace to the Canadian people than leprosy. I appeal to the minister to reconsider his action in withholding this grant from the Canadian Council of Social Hygiene. I think better and more extensive results could be obtained by a grant to provide for venereal depots than will be obtained from a grant to lepers.

Mr. MacLAREN: I suppose the hon. member knows why the cases of leprosy are dealt with by the Dominion government. Naturally the department would like to assist in the amelioration of any serious condition, but the fact is that so far as leprosy is concerned

there is no option, because it is laid down in the British North America Act; it must be. Therefore that question has never arisen. It has always been the case, and we are bound by it. The lepers were here in the country and that was the reason for carrying it on. So that you cannot compare the expense towards the treatment of venereal disease with the expense in connection with leprosy. The British North America Act says that we are to do it and it is done, and I am glad to say that I think it is quite well done. But the treatment of venereal disease is a different matter. I know that my hon. friend from Manitoba is greatly interested, as he should be, in public health matters and would like to see adequate measures taken to treat disease, but I do not think he faces this question: Is it to be done by the Dominion government or by the provincial governments? That is the question, and we know that at the present time, with few exceptions—as regards leprosy and looking after quarantine—disease in the different provinces is cared for by the provinces themselves. All that the federal government has done, and it has done a good deal in every way, has been to give a vote by way of encouragement and assistance to these different organizations; that is all. I wonder whether my hon. friend has ever suggested that it be advocated in the legislature of Manitoba? That I venture to think is the place in which it should be started. That is where the responsibility rests; the responsibility is with the provinces. I agree with my hon. friend regarding the importance and the desirability of treatment, and I look with satisfaction at what has been done by the Dominion government in many directions. It has given large contributions to the treatment of venereal disease, $200,000 at one time, I believe, for a certain number of years, and then the amount was reduced to $150,000 and $100,000 until it was discontinued. That was by way of helping to put the movement on its feet. The position is that the care of those diseases is provincial, much of it being for general education, and to enlist our sympathy and support. But after all it comes back to the provinces.

Mr. HOWDEN: The minister has just said that the grant towards the assistance of the provinces was for the purpose of putting the movement on its feet, but unfortunately the grant was withdrawn before the movement was sufficiently well established, and I question very much whether the provinces are in a position to carry on the work alone. In fact, it has been proved definitely, so far as Manitoba is concerned, that the work has had to be dropped. It certainly is a matter of national health, and a matter of very serious national health, that this work should be maintained, not provincially but nationally, and I daresay that all the provinces in the country that can afford to maintain it will continue to do so. But there are a large number of provinces that are not able to carry on venereal work alone, and if the federal government is concerned at all about the national health, certainly here is a place it could very well expend a little money; because I do not need to suggest to the minister the very appalling inroads which this disease was making among the Canadian people and the improvement that followed the establishment of these depots. The federal government can find sources of revenue through forms of taxation which are not open to the provinces, and now that it has withdrawn its support the work has had to be dropped in several provinces, and we can almost notice, from the time the work was held up, a deterioration in the health of the people.

Mr. ROSS: To return to the question of public health, does the department assume responsibility for the purity of water or food such as milk carried on the boats on the great lakes? Is there any international method by which the purity of water is controlled on boats going from one province to another or from the American to the Canadian side and vice versa?

Mr. MacLAREN: The engineering inspectors examine the water, taking samples of it which they send to the laboratories to be tested. They satisfy themselves, as far as it is possible for them to do so in such a large field, that the water is good and that the tanks on the steamers are sanitary. They also have supervision in connection with the water supply on ocean steamers, satisfying themselves that the water supplied to steamers is wholesome. They perform a very useful work and I cannot help feeling that we should be better off with more of them.

Mr. ROSS: Would they be restricted to supervision over certain water supplies, in ports, for example?

Mr. MacLAREN: Their services extend to international waters, to the large lakes, the river St. Lawrence and the seaports. I do not think they are restricted to any great extent. They have supervision over the sanitary arrangements on trains travelling from one province to another.

Mr. McGIBBON: I submit that either the minister should make this department worth something or it should be wiped out. It is almost useless to-day, a useless expenditure of money, and it should be one of the most important portfolios in the government. The health of the people is the greatest problem before the country. The loss from sickness, death, hospitalization and disability claims represents an enormous total, yet that colossal loss has not been dealt with by any parliament since I have had a seat in this house. I would like to impress upon the minister the importance of the job he has, and also to observe in connection with that, that the job has never been done nor attempted to be done.

The saving that could come to the people of Canada through an up to date health policy properly supported, would, to my mind, be greater than could be effected by anything else they could do. It would go a long way towards decreasing the interest on our national debt. Some years ago I figured this out and made a speech in regard to the matter, and I think the saving ran between $400,000,000 and $500,000,000 a year. The loss, however, is still going on and we in this parliament hide or protect ourselves behind the British North America Act. If we go into the provincial field, they tell us that they have not any money. Consequently the task had been carried out for years and years by the medical profession of this country. I think everybody realizes that owing to the depression this task cannot be carried out any longer by the medical profession. Hundreds of medical men are working daily and yet are on relief themselves. The task is not being and cannot be done in the way it had been in past years, yet it is one of the greatest problems we have. We vote a few dollars for purifying water, a task which is not carried out and which does not have to be carried out because the water in the different ports is looked after by the municipal authorities, and as regards the Department of National Health looking after sanitary conditions on trains, that is a joke. But I would like to impress upon the committee that in the Department of National Health there is a greater field for saving than in any other department of the government, and this task has never even been attempted. I would like to ask the minister if he cannot give that some thought and get some assistance in regard to hospitalization, premature deaths and disabilities that occur. Speaking from memory of some years back, I think about three per cent of the population are totally disabled. As regards the deaths, forty-two per cent are of external origin and consequently could be prevented, and twenty-five per cent of our people are inefficient to the extent of twenty-five per cent practically all the time. These are matters that could be cured or prevented. Could the minister not give some attention to that aspect of the question?

Mr. MacLAREN: I would like first of all to point out that as regards these engineers, because it is about them that we are speaking more particularly, their work cannot be dismissed with a wave of the hand. They are doing very good work. We know water is a very fertile source of spreading disease and these men are going a long way towards preventing that.

I am asked if I will do something to enlarge the scope of the Department of National Health. What does that mean? If it means that the federal government will, from a public health standpoint, care for the whole country, I should like all hon. members to appreciate the enormous contract that would be taken on by the dominion authorities. Whether a department carries out its work well or not depends upon what it sets out to do. The department is not attempting all these things; it is not its job. I do not say that the department would do it better, but I say that in the department a great deal of public health work goes on that is uncommonly well done. There is no department that says less about its work than the Department of National Health and the officials I happen to have with me. I do not suppose it is known by many hon. members that the officials of the health department advise over the radio as far as the arctic circle and that they are appealed to from all the outlying districts as to what should be done in case of disease and so forth.

I come back to the question. If we are going to discuss it, let us be frank. It means: Will the federal government take over the public health of this country? I think the hon. member for Muskoka-Ontario (Mr. McGibbon) must mean that, and if that is what is proposed, it is an enormous proposition. I suppose I should not be expected to answer that in a hurried way without due consideration, but at the present moment I would say that the federal government will not take over the work. Every portion of the country must share its own responsibility.

Progress reported.

BANKING AND COMMERCE

CHANGE IN PERSONNEL OF COMMITTEE

Hon. HUGH GUTHRIE (Minister of Justice): May I get the consent of the house to revert to motions to take up a matter that was overlooked when that order was called this afternoon?

Some hon. MEMBERS: Carried.

Mr. SPEAKER: By consent, the house will revert to motions.

Mr. GUTHRIE moved:

That the name of Mr. Fraser (Cariboo) be substituted for that of Mr. Stevens on the select standing committee on banking and commerce.

Motion agreed to.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, March 20, 1934

The house met at three o'clock.

COMMITTEE ON AGRICULTURE

Second report of the select standing committee on agriculture and colonization.—Mr. Senn.

CANADIAN NATIONAL RAILWAYS

SUBMISSION OF ANNUAL REPORT AND ESTIMATES TO SPECIAL COMMITTEE

On the orders of the day:

Hon. W. D. EULER (North Waterloo): Mr. Speaker, I should like to direct a question to the Minister of Railways and Canals (Mr. Manion). I believe he stated yesterday that the annual report of the Canadian National Railways would be tabled very soon. I would like to ask whether or not the government has decided on the establishment of the usual committee on the Canadian National Railways, and whether in that event both the report and the estimate which has just been submitted will be referred to that committee.

Hon. R. J. MANION (Minister of Railways and Canals): On the day I table the report I intend definitely to answer that question, though I think there is no reason to believe that we would object in any way to the establishment of the committee, if the house desires. Apparently the house does, so we will probably establish it, and submit both the report and the estimate to that committee.

[Mr. MacLaren.]

SHIPS CLEARANCE PAPERS

On the orders of the day:

Mr. PIERRE F. CASGRAIN (Charlevoix-Saguenay) (Translation): Mr. Speaker, may I inquire of the hon. Minister of Marine (Mr. Duranleau) where navigators may obtain permits in French, when leaving various Canadian ports; and also, guide books relating to marine charts and tidal records. I received complaints from navigators, who, last year, endeavoured unsuccessfully to obtain these documents in French.

Mr. BARRETTE (Translation): Name them.

Hon. ALFRED DURANLEAU (Minister of Marine) (Translation): The question of the hon. member will serve as notice; I shall inquire and report.

MR. EDGAR BOUTET

On the orders of the day:

Mr. JEAN FRANCOIS POULIOT (Témiscouata) (Translation): Mr. Speaker, is the government aware that Edgar Boutet, employed as secretary to the executive of the Post Office Department at a salary of $2,100 per year, from December 1, 1933, was present in the Press Gallery during the sitting of the house, at various times, since the beginning of the session? Is the government also aware that said Edgar Boutet is still the correspondent of the newspapers "L'Illustration" of Montreal, and the "Journal" of Quebec, in which he writes false and unfounded articles about the members of this house? I should like the government to furnish me with full information relating to these two questions; moreover, whether the said Edgar Boutet is still in the employ of the Post Office Department; if not, when was he retired?

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the private secretaries and chief executive clerks to ministers are, of course, political appointees, and in the main they discharge political duties. If it is thought desirable that one of the secretaries to a minister should attend in the press gallery for the purpose of giving information to his minister, it has been the custom to do so, and always will be, so long as the offices of secretary and assistant secretary obtain. I have no knowledge of this particular case, but I merely mention that is so with respect to these matters in general. Whether or not Mr. Boutet is engaged in supplying information to journals favourable to his chief I cannot at the moment say, but if he is I

may say he is following a custom which has been pursued by men in his position since the position came into being, and will continue long after he has ceased to occupy his present post.

Mr. POULIOT (Translation): This gives him no right to lie.

PENSION ACT AMENDMENT

On the orders of the day:

Mr. F. G. SANDERSON (South Perth): Yesterday I directed a question to the Minister of Pensions and National Health (Mr. MacLaren). The question was one I had asked previously, namely, on February 6, last. When the minister replied yesterday I was unable to hear him. The answer I saw in Hansard this morning is ambiguous, and does not convey anything. I shall put the question to him again. Is it the intention of the government this session to bring down any amendment or amendments to the Pension Act?

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): My answer is very similar to the one I gave yesterday: The government has not considered the subject. Yesterday the hon. member asked whether it was the intention of the government to bring down legislation, and I said the answer was in the negative. In other words, the government has not considered the subject.

Mr. SANDERSON: If I may be permitted to say so, when I put the question to the minister on February 6, his answer was that the matter was under consideration.

Mr. MacLAREN: I shall have to look into the matter and see what the circumstances were. Probably the circumstances at that time were different from those obtaining to-day.

SUPPLY

AMENDMENT PROPOSING COMMITTEE TO INQUIRE INTO THE STATE OF THE NATION

Hon. EDGAR N. RHODES (Minister of Finance) moved that the house go into committee of supply.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, in the course of the debate on the address I stated that in my opinion "strong measures" would have to be taken to remedy the evils under which Canada is suffering. I further suggested that the most important of these measures could not be enacted into law or practice unless there was some degree of cooperation between federal and provincial authorities, and likewise between the various parties and factions in this house.

Some of those measures I propose to expound to-day, realizing of course that they are not all of equal value and importance, and further, that they could not all be put into execution at once. But I sincerely believe that most, if not all, of them are worthy of being considered without bias by every member of this house. I propose to offer them, so far as my temperament permits, in the most lenient and conciliatory manner. If, at times, my words sound harsh in the ears of some of my fellow-members, I pray them in all sincerity to disregard the sound and to consider the intention, which, I assure them, is altogether friendly and conciliatory.

In order to cover the ground, and as well to remain within the rules of this house, I think it proper to resort to a time honoured procedure of the British House of Commons, "that grand inquest of the nation," as it has been called for centuries; and therefore at the end of my remarks I shall move, seconded by the hon. member for Comox-Alberni (Mr. Neill), in amendment to the motion that Mr. Speaker do now leave the chair for the house to go into committee of supply:

> That the house, while prepared to grant to His Majesty all necessary supply to carry on the administration of the country, is of the opinion that a special committee of the house should be appointed to inquire into the state of the nation and suggest prompt and effective measures of economic and social reform.

With regard to financial matters proper, I propose to be as short and concise as possible; first, because I have not the slightest pretension to being an expert in such matters, and secondly, because they have been and are daily being discussed in this house in various forms. May I say to the Prime Minister that I quite sympathize with him, in this regard? I read with pleasure and sympathy the remarks he made last night about the same questions coming up over and over again. Of course that is unavoidable; and my only purpose in referring to some of these questions is simply to cover the ground and indicate the action on finance, taxation, trade, and social reform, which I think is imperatively needed.

First—I will not say first in importance, but it is the most obvious factor in the situation—is the debt, federal, provincial, municipal, corporative, individual. Undoubtedly Canada, more perhaps than any other country, is overburdened with debt. Undoubtedly, again, it ought to be the main concern of every government, and I use the word government in

the broadest sense to include not only political governments but industrial governments as well, to search unceasingly for some practical means of reducing that burden. Many have been suggested. My friends to the left, on various occasions in years past, and this year again, have suggested what they call the inflation or reflation of money, in order to increase the purchasing power of the masses of the people, and also to enable debtors to pay their debts with less money than they received. I have read much on inflation in theory, and also as applied in various countries of the world. Is it because of the infirmity of my mind, or perhaps because of what my good friend the Secretary of State (Mr. Cahan) termed once my infernal French logic? but I have not yet been able quite to agree with my friends to the left, as to the beneficial results of inflation.

When they speak of controlled inflation, well and good; but the experience of the world in the last ten or fifteen years—I might say centuries, because inflation is nothing new: Philip the Fair of France, in the fourteenth century, resorted to inflation in his own way; the French Convention, also, when it created the assignats; that was inflation with a vengeance—long experience and contemporary history teach us that controlled inflation soon becomes uncontrollable inflation.

But what makes me more doubtful still is the obvious fact frequently pointed out by the Prime Minister—and it ought to be obvious to all—that you cannot compare the situation of Canada with that of many other countries which have resorted to inflation. No system of economics can operate in exactly the same way in two or more countries situated in different circumstances. Canada has enormous natural resources to be developed in the future; but, at present, Canada owes not only to her own nationals, as does France for example, apart from her war debts, but we owe also to various countries, and more especially to the United States and England. How would a policy of inflation result in a settlement of our debt to England, on the one hand, and to the United States on the other? Of course, if you could get the British and American governments to maintain equilibrium between their currencies and ours, if you could get our British and American creditors, holders of our bonds, federal, provincial, municipal and railway bonds, to accept payment in terms of our own currency, well and good. But will they?

One of the main reasons given by our friends to the left was that a controlled inflation resulting, it was said last year, in bringing the Canadian dollar on a par with sterling, would have a tremendously stimulating effect upon the sale of our wheat, for example. If I remember aright, the pound sterling, as compared with our dollar, stood then around $3.50. It has been quoted for some weeks now at $5.10 of our currency; but I have yet to learn, either from the press or from any information given to this house, that the price of our wheat has risen in proportion to the downfall of our dollar. That is what it is; it is not the pound sterling which has gone up, it is our dollar which has gone down. Where is the benefit to the seller of wheat or of any other commodity in an inflation such as we have had?

Mr. LUCHKOVICH: Was that not the cause of the rise in the price of wheat last year?

Mr. BOURASSA: Perhaps it was. I am not conversant with those matters, I am simply suggesting that it has not had all the effects which it was expected it would have.

In discussing these questions of currency, inflation and deflation, and later on, taxation, my main concern is for that class of people which is not represented by any party in this house. The lower middle class do not belong to any labour organization, to any farmers' organization, to any manufacturers' association or to any organization of business men or social workers, in the broad sense of the word. They receive very little consideration at the hands of municipal, provincial and federal governments. In this country as in every other country, this class is the mainstay of social order; it is the cement which maintains a certain degree of harmony and conciliation between the various classes of the community. Inflation would ruin most of these people in Canada, as it has done in Germany, in France, in Italy. It seems to me that inflation is simply a policy of ruining Peter in order to enrich Paul, and Paul is not enriched in the long run. If you raise the prices of those things which you produce, you also raise the prices of things you need. The farmer, the labourer and everyone else is in turn producer and consumer. I am afraid it will take a much bigger brain than that possessed by any hon. member of this house to work out a sound policy on those lines; and we must have longer experience in order to be sure that the results will be permanent. I pass on.

Many words have been uttered with regard to a direct reduction of our debts. This matter was before the house last evening. I was only in the chamber a very short time and I had not the privilege of following the

debate; but before coming down this afternoon I read carefully the speech delivered by the Prime Minister (Mr. Bennett). If one considers only the money question and the reflex action of brutal repudiation, in whole or in part, upon our credit abroad or our credit at home, the arguments propounded last evening by the Prime Minister are unanswerable. But I repeat, credit is not the only thing and the maintenance of the money power should not be our main consideration. I admit that the problem is baffling; but all efforts should be made to find a means of reducing our debts. So far as I am concerned, I think a partial repudiation, backed up by statements showing what we owe, what we earn, what our people can pay and what they cannot pay, would be more honest and less hypocritical than the so-called inflation policies which have been pursued by all governments in Europe, even by the British government when it went off the gold standard. We must prepare our creditors, both foreign and national, to accept from us, should the crisis last, a fair compensation. They will have to, in any event, in a few years. That is the only honest way in which a debtor nation can liberate itself; this should be the action taken by Canada to liberate the present and all generations to come. But if we are to present a statement of our financial situation to our creditors we must be prepared to place a levy upon the wealth of this country. This must be done to show our goodwill in meeting our creditors. Later on, when I speak of taxation, I shall have more to say of this.

As the Prime Minister said last evening, we cannot think of our indebtedness without considering the situation with which we are confronted in our railway systems. The hon. member for North Waterloo (Mr. Euler), with whom I agree more often since he is no longer a minister of the crown, has courageously and openly suggested amalgamation. The genial and clever Minister of Railways (Mr. Manion), whom curiously enough I like better since he has become a minister than I did when he was in opposition—as we say in French, he is a minister born although an Irishman—has intimated also that we must prepare for amalgamation. I am no expert; but as an old student of history I should like to express the view that it is always risky to adopt any measure of a permanent character in an effort to solve a great problem during a time of panic and crisis.

Mr. MANION: I do not like to interrupt, but if the hon. gentleman will permit me?

Mr. BOURASSA: Certainly; I have ample time to-day.

Mr. MANION: I am sorry to have to correct my hon. friend but I have never intimated that we should prepare for amalgamation.

Mr. BOURASSA: Perhaps that is my French logic again; but I thought I could read that in the excellent speech which the minister delivered, I think on the second reading of Bill No. 25. But it does not matter, and I accept the minister's correction.

Instead of deciding immediately that there shall be no amalgamation or that there shall be immediate amalgamation, why not continue to utilize and extend, as an experiment, the provisions of the act passed last year and continued in Bill No. 25 passed at this session? I mean by this, to strengthen the control of the body created to harmonize our two systems, subject always to the supreme authority of the state. The state may be represented by this cabinet to-day, perhaps by that cabinet to-morrow or perhaps by the cabinet over here the day after.

An hon. MEMBER: Never!

Mr. BOURASSA: It does not matter; it does not make much difference. Napoleon the third, who finished his reign in folly, but who was a good conspirator and, like some of my friends in the three parties, a shrewd politician, once said to one of his ministers, "Never say never in politics."

Mr. BENNETT: Balfour said the same thing.

Mr. BOURASSA: Oh yes, of course; it is obvious. It is very prudent.

I was going to say that whatever party is in power, it has not the right, in the fulfilment of its trusteeship to parliament and to the people of Canada, to abandon its supreme control over any body created by parliament for carrying out any of the powers of administration delegated by parliament to the government. But with that reservation of principle, I say that the body charged with the management of our railways should have much greater powers over what I call capital issues. It should receive—always with the same reservation—the power to suppress useless lines and to sell some of those costly hotels, ships and other works of luxury built up during our years of folly and extravagance. And, in conjunction with the state, it should devise means of reducing or contracting the debt of the two railways, both its capital stock and its debenture stock. Above all—

and this I suppose is on the way towards accomplishment; at least I hope so—there should be an end to foolish capital expenditures; there should be stringent economy in operation, compatible with effective service.

In the Duff report a good deal has been made of the competition to which the railways are subject, thanks to the development of the truck and autocar service. May I repeat what I have stated more than once in this parliament, in the old days as well as in more recent times? Why do our great services, why do our governments never go outside the British Empire or the United States to look for examples? On this very question of automobile competition, had they gone to France, they would have found that the great railway companies in France, and more especially the Paris-Lyon-Méditerranée —the P.L.M.—instead of waiting until competition had become disastrous, instead of bewailing the condition, and asking for special legislation to maintain their monopoly, took hold of the road traffic and put into operation the most splendid automobile service that exists in any of the countries I know of; so that an Englishman can land at Boulogne or Calais, and traverse the whole of France, stopping at any place he likes, putting up at the best hotels or in more modest places, reaching the coast of Italy by way of that beautiful country, the upper Seine valley, the Rhone valley, the Côte d'Azur, right through, by means of autocars owned and operated by that great railway system. Why did not our chiefs of railways take a short trip to France to study that system before asking the provincial governments or the federal government to take steps to do away with the competition against them?

Mr. EULER: They were watching each other too closely.

Mr. BOURASSA: Just one word more with regard to railways. It has been frequently stated in this house that we are handicapped by the fact that the Canadian Pacific Railway is an independent company. Well, I cannot agree with that. The Canadian Pacific Railway is a creation of parliament. It was nourished by parliament, of course at the expense of the country. I do not say, unduly. I have the greatest admiration for the pioneers of that great system; and while I do not approve of every detail connected with it, generally I quite approve of the help given to the Canadian Pacific Railway by the government of Sir John A. Macdonald. But now, where are we? Where is the company and where is the country? Without discussing the manner in which it has been administered in the last ten or twenty years, without entering into details, I say that the Canadian Pacific Railway is now indebted to this country to a sufficient degree to force the government morally to interfere in its management; and I will say why. We have guaranteed a loan by the banks to that company of $60,000,000. The Prime Minister has said that that loan is amply covered by a block of shares deposited with the banks. In case of default, will those shares belong to the government or to the banks? If they belong to the banks, it is wrong. My experience in private life and my fairly long experience in public life has taught me that he who guarantees pays, directly or indirectly. Now, whether in order to see that the guarantee given remains good —what we call in French legal parlance "le gage du prêt"—or whether in anticipation of the day when the government will have to pay this $60,000,000 or a part thereof to the banks, it is the duty of the government to keep a close hand upon the administration of the Canadian Pacific Railway, to see that its finance is managed in such a way that not only will it maintain its own credit for the benefit of its shareholders, but also for the sake of our own treasury and for the sake of the people of Canada. I will put it in a short way, one which I am sure will appeal to my good friend from New Westminster (Mr. Reid): He who pays the piper calls the tune. I might add that if I had anything to do with the payment of this piper I would sometimes call different tunes.

This brings me to government expenses. Again I lay down the general proposition that in the circumstances through which this country is passing, a complete stop should be put to every luxury expense, if I may call it so. In this respect I am sorry to differ from the Prime Minister. When I read in the newspapers that the American Senate had, for once in a century and a half, done Canada a great service by rejecting the St. Lawrence treaty, for the first time in my life I sang within myself, Hail Columbia! I do not say, mind you, that the time will never come when that great scheme, that great plan, cannot and ought not to be carried on. But I repeat the old Latin proverb: Est modus in rebus. We should never forget that.

An hon. MEMBER: What does that mean?

Mr. BOURASSA: There ought to be a mode and a time in doing things.

An hon. MEMBER: Chaque chose à son temps.

Mr. BOURASSA: Yes. I lay down the same general proposition with regard to public works generally, but that I reserve for the chapter devoted to unemployment.

I come now to ordinary administrative expenditures, and I am beginning to enter ground upon which I am afraid I shall find myself in disagreement with most of my colleagues. I believe there should be a stiff reduction in several of the public services. Take the rural mail. I state frankly before the house what I have said in my own constituency: As representing a rural constituency I have always been opposed to rural mail delivery.

An hon. MEMBER: Do not say that.

Mr. BOURASSA: That is my opinion. I am expressing my own opinion with which my hon. friends may disagree. All I ask of them is to bear with me in patience as I have done for many days and nights when I have listened to them. I believe rural mail delivery has been of no real benefit to the farmers; it has helped to destroy rural life; connected with the postal delivery of the large departmental stores, it has helped to kill local trade, to destroy local activities, with the other consequences that I shall point out when I come to the social problems proper.

Again I am going to speak of a matter which probably will raise still more objection and protest. I refer to war pensions. In order to shelter myself, so to speak—although I am used to storm and bad weather—I shall quote two or three paragraphs of an article which appeared in a journal published in Ottawa, one never known to be a mouthpiece of rebellion or of extreme pacifism or of antipathy toward the returned soldiers. In an article published in the Ottawa Journal on October 13 last I read this:

In 1918, the number of those—

returned soldiers—

—receiving pensions was 25,000. Five years later, 1923, the number had grown to 63,000. To-day it is over 90,000. Where in 1918, when the war closed, the cost of pensions in the treasury—

I suppose that means "to" the treasury.

—was a little over $7,000,000, it has grown in 1933 to over $40,000,000. More than 240,000 people in Canada—soldiers and dependents of soldiers—are helped by these pensions.

Then, as a comment, the newspaper says:

Canada has passed through three years of financial crisis. With hundreds of thousands of people unemployed, and purchasing power destroyed, and the crushed taxpayer unable to meet the treasury's demand for money to meet calls for debt and relief, the situation has been a desperately difficult one. Yet through these three years, notwithstanding a fierce need for retrenchment, the country has gone on paying war pensions, has added steadily and heavily to the pensions roll.

This is something which veterans, fair minded and responsible, should surely bear in mind. They must realize something of the country's position; of its declining revenues; of the obligations it has had to face; of the calls that have been made upon it and upon the country's financial resources.

I shall not insist any more upon that point to-day.

Now, over and above war pensions, we have a frightful increase in the payment of doles to the unemployed, with a threat of a permanent financial burden, placed upon the country, on account of an unemployment which will last until we adopt stringent measures to re-establish the balance between city dwellers and rural population. What is the result? First, as regards finance applied to social needs, the war pensions and the dole system are, and will remain for years to come, an insurmountable obstacle to the adoption of a set plan of social insurance for the benefit of all classes in Canada. Without reopening old sores, without discussing whether we were right in participating in the war, in enlisting, first voluntarily, then under pressure, and thirdly by conscription, the youth of Canada to go and wage a war foreign to America, may I put this question to any fairminded man in the house? Not only to my pacifist friends, but equally to the brave men who have shown their sincerity in going to war on their own account and have not contented themselves with preaching war to others and remaining at home to enrich themselves, as so many warmongers and patriots did from 1914 to 1918, I put this question: Is it really a moral obligation on the part of Canada to maintain a body of men with their wives and children, men who were induced to fight for four years out of Canada, to destroy life and property, in a just war if you like—I am not discussing that? If it is, what do hon. members think of our moral obligation to thousands of good men and women who have worked all their life in Canada, for Canada, to give children to Canada and money to the exchequer of Canada? Are we going to make them lose, after fifty years of hard life, all that they have saved, and then die in misery, in order, first, to pay our creditors 100 cents on the dollar, and, second, to keep up two privileged classes, the war pensioners and the dole receivers?

So far as ordinary government expenditure is concerned, I have only one word to say.

Let us not forget petty economies. It is the great defect of new countries, as of newly-rich people, of parvenus generally, to disdain small sources of revenue and petty economies. May I point out to the Prime Minister and to my good friend the Minister of Finance the example of a man who has left the reputation of not being a small man, of having some little knowledge of economics, who was, whatever may be said of his policies generally, considered one of the best finance ministers of England? I refer to Gladstone. When Gladstone was appointed Chancellor of the Exchequer the first time, what did he do? Before launching his great program of financial reform he began by finding out how much money was wasted in each department in the purchase, or rather the stealing, of pencils and pens and paper and ink and that sort of thing. Of course he was derided; his first budget was called the pen and pencil budget; but the year following he was able to point out that on that single item some £40,000 had been saved to the country. Now, sir, in the days that we are traversing, it ought to be the concern of every spending body or individual, from the federal government down to the humblest farmer and the poorest labourer, to look to small things, to small economies and small sources of revenue. At the beginning of the great war I was struck with an observation made by an American travelling in France. You know, these Yankees, when they stop for a moment boasting they are the biggest country on earth, that they do all the big things and that all the other nations are effete and tardy, can be very clever and very acute observers. Do you know what that traveller said, I think it was in October or November, 1914? He said: One of my reasons for believing that France will win out in the long run is because of the science and practice of domestic economy by the women of France. Let us remember that. I ask my excellent friend, the hon. member for South-east Grey (Miss Macphail) to devote some of her energy to teaching domestic economy to her women followers.

Miss MACPHAIL: I do not intend to.

Mr. BOURASSA: I have now to deal with a still more disagreeable subject, that is taxation. But we have to face it. We do not want to repudiate our debts—I accept the word of the Prime Minister. We have not yet found a means of restricting them. There remain only two things—curtailment, stringent curtailment of expenditure, and increase of taxation.

In that connection I want to point out the reasons for a capital levy. At first sight such a proposal is distasteful; all taxation is distasteful. Unfortunately this suggestion has been presented, not only in Canada but in most countries, by socialists, by would-be revolutionists, under the name of conscription of wealth. I might ask, as has been asked frequently: If it was right to conscript men to destroy, is it wrong to conscript wealth to reconstruct? But I will leave that aside. If the men of wealth, if the great corporations of this country understood the situation as it is, there would be no need to conscript wealth; they would themselves enlist freely, voluntarily, and help in reducing the debt. For my part may I say that after forty years of assiduous labour I have been able to put aside, out of the money I earned from year to year, about $25,000. I suppose my friends to the left will not consider me as a wicked capitalist. I had a little inheritance which, as I felt in duty bound to do, I have transmitted intact to my children. What I received from my parents I reserved for my children; and as soon as they come of age I give them their share according to what I consider their merits. The other is what I have saved. Now I tell you quite frankly that I would be mighty glad to give, out of that $25,000, $1,000 to the government to help reduce the debt. But it should be on three conditions: first, that every Canadian should pay his share in the same proportion; second, that the whole of that contribution should go to the reduction of debt; and third, that by courageous measures of economy and taxation, budgets should be balanced hereafter. By doing so I would consider my $1,000 well placed.

The difficulty is that big business men, with their genius and perhaps also their greed, will not pay their share voluntarily; but I think the time has come for governments, starting with the federal government, to educate public opinion, and particularly the opinion of those who possess, that such a form of taxation, far from being a measure of confiscation, would be the safest measure of conservation. Once they have been taxed in order to alleviate the burden of public debts, once the economic situation generally has been bettered by such a diminution of debt, then their affairs will grow, and what they keep of their wealth will be better preserved by having paid some of it to maintain or rather to restore the finances of the country, than by trying to enjoy it unduly until the crash comes.

But there is more than that, sir. Of course I admit that I am an old-timer and have queer ideas. At times I seem to be the representative duly appointed, morally speak-

ing, of all the cranks in Canada from Sydney to Prince Rupert; from some of the letters I receive I think I can claim that title fairly. But I also receive communications from people of fair minds and right thought belonging to all parties. The thought which I am going to express is that which I think is in the minds, and even more in the heart and conscience, of a large number of Canadians. This generation, to which we belong, responsible as it is—not all the individuals but the whole community under the law of solidarity—this generation which is responsible for the follies which preceded the war, railway follies and others, which is responsible for the follies of the war, which is responsible for the perhaps greater follies which followed the war, has not the right to leave to the next generation, to your children and mine, the full burden of the payment for our follies. What would you think of a prodigal father who, having piled up debt after debt in debauchery and extravagance, would say to his creditors: My children will pay you? That would be worse than the cruelty described by Christ as being almost impossible: "Or what man is there of you, whom if his son ask bread, will he give him a stone?" That is what we are doing.

I am now coming near to the day when I will have to render account to my God for what I have done in private and public life, and I do not want to leave this world without having protested against the injustice that will be perpetrated if we leave future generations to pay the whole of the debts that have been piled up thanks to our lack of foresight, to say no more.

Now, coming to ordinary taxation—I am sorry that my hon. friend the Minister of Finance is not here but perhaps his attention will be called to just one instance I am going to give.

I am in favour of maintaining and perhaps of increasing, with care, the income tax. But I point out here publicly that which I have shown to various ministers who have succeeded to office, either in the treasury or in the Department of National Revenue, since I came back to parliament. Since last year, taxation is imposed on government annuities over $1,200 and on ordinary revenues over $1,000. I must say that owing to a judgment rendered in 1858 by a good English judge who had more knowledge of law than of economics, or even of simple mathematics, an annuity is considered as being total income, which is of course absurd and nonsensical. Then, in our devotion to everything British, a judge—I was going to say an equally stupid judge, but I shall not say that—a judge in Canada copied the judgment delivered in England, and gave the same decision.

I do not wish to carry the argument to greater length, but shall simply give some figures. Suppose a man of sixty years decided to invest a sum of $25,000 in government bonds. Under the last issue he could get $25,000 worth of bonds for $23,362.50. In twenty years time—and I am referring to a twenty-year issue—he would receive $20,000 in interest. That is, he would receive interest for twenty years at the rate of $1,000 a year, and would not pay a single cent of income tax. Suppose another man, the same age, had taken an equal sum of $23,362.50 and purchased from the same government a life annuity. He would receive annually $2,247.47. Of course, everybody knows that that includes a revenue of only four per cent on the $23,362.50. The rest is capital reduction. He would receive in interest, during these twenty years, $18,690. But during that same period, under the present rate, he would pay $638 of income tax. Is that just? That is a capital levy. I have just said that I have no objection to a capital levy, but let it be a levy on all capital. Why pick out a class of people who have been invited to purchase annuities? I have before me circulars sent by government agents inviting such purchases. Of course those purchases are very advantageous to the government, because the capital is never totally paid back. It is paid by instalments, according to tables of mortality which are very well calculated. This procedure is much more advantageous to the state than would be the selling of bonds. Nevertheless, you let go scot free the man who purchases a bond, and who will receive your interest of four and a half per cent; and then you tax a man who is only drawing an annuity. If he dies within twenty years you inherit the portion of his capital he has not received, and besides, you have collected taxation. That shows how all matters of taxation have to be scrutinized, and I believe this statement applies to almost every form of it.

Mr. EULER: Is the hon. member quite certain that moneys received under the annuities system are taxable?

Mr. BOURASSA: Yes, under the amendment of last year there is a margin of $1,200. I have deducted the $1,200 from the $2,247 which he received, and state that he is taxed for the difference.

Mr. EULER: He can get only $1,200.

Mr. BOURASSA: That is the margin.

Mr. EULER: I do not wish to interrupt my hon. friend. At the moment I think only $1,200 can be paid in annuities, and that is not taxable.

Mr. BOURASSA: Yes, now. And this also is a mistaken policy, because if there is one form of investment which any government should invite, it would be those annuities. But at the request, or rather, under pressure from the life insurance companies, the government limited the amount. They have thereby lost millions of dollars upon which they would have paid only four per cent, while they have launched debentures giving four and a half per cent, plus commissions to brokers.

I am not going to dwell longer with the subject of taxation, because there may be an opportunity in the debate on the budget. I shall not mention the sales tax, excise taxes and so on, but shall simply lay down three principles which I hope the government, and the Minister of Finance in particular, will consider.

First, if we want to have some degree of financial balance and social justice, there must be an understanding between federal and provincial authorities, including of course municipal authorities, as to the manner or the mode in which they levy taxation upon the various communities in this country. In some provinces we have double income tax, while in others there is but one. A consideration of this matter should be the main object of the next conference between federal and provincial authorities.

Second, in every form of taxation, either direct or indirect, I urge upon the government the necessity of caring for the small trader, the small industrialist, the small proprietor, even the small capitalist or what they call in France "l'épargniste" or even "le rentier." I know that at times those people are called social parasites. I suppose in Europe, where estates have been transmitted from generation to generation in certain families, some might be called social parasites, unless they render to the state and to the nation some other services. But in this country those parasites do not exist. Practically all of those small proprietors living on their revenues in their old age, are retired workers or retired employees. For years and years they have been meritorious contributors to the general welfare of the community, municipal, provincial and federal. So far they have been the best supporters of moral and social order, the cement of the social structure. They are by nature, by instinct and by interest, essentially conservative, in the best sense of the word. But if ruined by taxation or otherwise they may become the most desperate revolutionists, because there can be no hope for them in beginning a new life. If hon. members have followed, as I have, the trend of events in Europe since the war, they must know that it is this class, this small middle class, ruined and oppressed, which on the one hand has supplied the forces of communism and on the other hand the counter forces of fascism. Do we want that in Canada? We want neither the one nor the other. My friends to the left do not want it any more than the Liberals or the Conservatives, but that is what we are preparing.

Finally, in all matters of taxation, remember first, last and above all the rights of the family. Here and there we hear of the necessity of having a larger population to help us in paying our debts and lifting the burden of taxation. Agreed. But what do we want? Do we want more foreigners to come in, or shall we give the preference to the children of Canadian families? By Canadian families I mean good Canadian citizens of whatever race they may be, whether born in Canada or outside. But of that more towards the close of my remarks.

Before I leave the question of social and economic reform I want to say a word about the life insurance companies. The Prime Minister referred to them last night, and quite rightly so. In a sense the life insurance companies, from the social viewpoint, are more important than the banks. In a new country, and more especially in the United States and Canada, the life insurance companies have become the financial mainstay of the family. Quite a number of individuals belonging to the professions, to trade or industry, and who have allowed themselves and their families to live what I call an extravagant life, have nevertheless devoted a large portion of what they earned to purchasing insurance policies. Take, again, the small tradesman or the farmer who puts aside a few dollars each year to purchase a policy of $1,000 for his widow and family. All that money goes into the coffers of insurance companies. We often hear about the trusteeship of the banks with regard to the funds entrusted to them; but the amount of private funds in the hands of the banks, as was so ably demonstrated by the Secretary of State (Mr. Cahan) in a speech delivered in Toronto a few days before the opening of the session, and which by the way was one of the best I ever read from him or anyone else, is only four per cent of the so-

called money or of the apparent volume of the transactions which the banks carry on between debtors and creditors of the banks. That is what a bank plays with. On the other hand, the funds in the hands of insurance companies are composed of real money entrusted to the company by policyholders, and most of it for the benefit of their families. Is it not the primary duty of the state to see that that money is properly invested and kept as safe as it possibly can be? But how has that duty been done? I know that we are now face to face with the decision of the privy council, that the control of insurance companies rests with the provincial governments; but surely this question ought to be dealt with, first by conference, and then by concurrent legislation, so that, whatever governmental authority is exercised over insurance companies, the funds entrusted to their hands and upon which the bread and lives of so many hundreds of thousands of Canadians depend will be kept safe. Is that done at the present time?

I want to avoid as much as possible personal issues, and I do not want to be unduly harsh upon the directors of the large companies, but after all we are here to say the truth—at least we ought to be here for that.

Take the case of the Sun Life Assurance Company, by far the largest concern in Canada. I have taken these figures from its last report, dated December 31, 1932. Their total assets amount to $611,436,152.70. Of that amount real estate represents $26,546,571.26; and in this last figure is included the cost price of that tower of Babel in Montreal, the head office of the company, amounting to $21,392,282.36. It is quite illustrative of the follies of the last ten years. That tower of Babel stands beside that immense hole, empty of earth and of everything else, which is the future Canadian National Railway station in Montreal—an abyss on the one hand, a pyramid of extravagance on the other. How many millions would that tower fetch at prices prevailing to-day?

Take the item of bonds, debentures, and debenture stocks. In the books of the company they are carried at $117,393,222.98; but that has been scaled down by the superintendent of insurance here to $107,861,810.99, a reduction of about ten million dollars.

Take the item of stocks. Preferred stocks are carried on the books of the company at $23,244,147.07, and that has been scaled down to $19,576,944.04. Common stocks are carried at $298,954,632.81, and that figure has been brought down to $292,472,334.11. Other assets, $164,978,492.30.

In other words that so-called trust fund of the Sun Life Assurance Company is composed, up to 48 per cent, of the common stocks of all sorts of concerns in America, north and south. Those great believers in the national creed of the Minister of Trade and Commerce (Mr. Stevens) are great believers in the Canadian people following that creed; but they do not believe in it so far as the company itself is concerned, because they invest all the money they can outside of Canada.

The liabilities of the company are shown as $603,438,205.87, of which $586,007,260.37 is due to policyholders, most of it due to women and children in Canada. Other liabilities are shown as $17,430,945.50. So, to guarantee this $586,007,260.37 due to the policy holders there is a surplus altogether of $5,997,946.89, exclusive of the capital stock, $2,000,000.

Now what are all those stocks worth? Nobody knows. Without betraying any confidence I might say that four or five years ago, when that company came before parliament to secure the right of issuing more capital shares, I had given some study to the situation of insurance companies, especially the Sun Life, and I went to see one of the most authoritative men in this country on this subject. I said to him, "On the face of their report are they not bankrupt?"—That was the year they raised the dividend to their shareholders from 50 to 75 per cent. He replied, "Of course, but what is the use of saying it? It would create a panic."

Without insisting too much, I might say that some years previously, when the Canadian Northern Company came before this parliament for assistance, and when the present Prime Minister fought against it, what was the reason given in and out of parliament for giving that assistance? It was said: If we do not rescue the Canadian Northern and Mackenzie and Mann at the expense of the country, it means the bankruptcy of the Bank of Commerce and the Canada Life Insurance Company.

Now I ask, is it fair that the public should be blackmailed and the public treasury tapped because the powers that be, federal or provincial, have not exercised beforehand their duty and found out what was the real situation in these great companies before they came to ask for assistance?

I could give three or four more examples, but it would take too long. It all amounts to this: If a small trader or industrialist, a small banker or capitalist, operates for some time at the expense of the public and goes to the wall, he is put in bankruptcy; and if he has been crooked he is put in jail. But if you

steal millions you are safe, because if you are denounced it will shake the confidence of the public. I should like to relate a story, one which I think is true, to show how such things react in various countries, but I shall resist the temptation of giving names. Not long ago, a meeting of shareholders or debenture holders of one of those large concerns, organized by one of our largest banks and supported, operated and mal-administered by several of our kings and captains of finance, was held in Montreal. A Scotchman was present, representing the creditors of Great Britain. He asked if Mr. So-and-So was there, and he was told he was. He said, "I want to tell you that man is the greatest scoundrel in Canada." "Oh, no, pardon me; Sir So-and-So is a greater scoundrel than the other." That is the impression left upon our foreign creditors by some of our great financial operations. Such a thing may endanger the credit of Canada just as much as the bringing to account of these perpetrators of frauds and exploitations. At least, that is my old way of looking at things.

This brings me to another matter, the control of stock exchanges. I brought this matter up, I think thirty-one years ago, in the old parliament. I do not mean to boast, but I have had no personal experience with these organizations. I would not go to a stockbroker's office or to a stock exchange any more than I would go to a house of prostitution. I do not like them. To me, stock gambling is to legitimate financial operations what prostitution is to marriage. I am not referring to the regular sale and purchase of stocks and debentures, but this is only a small percentage of the business carried on by these organizations. The legitimate purchase and sale of securities is, I am told, not more than one per cent of the total business transacted. Most of it is gambling, playing on ups and downs. It might be said, so much the worse for those who lose. If they were the only ones concerned, then I would agree. It is a different thing when a man goes to a gambling house and loses money at cards, or bets on the wrong horse at a race track. Stock gambling brought about the crash of 1929. It means the shaking of the financial structure of the country; it means damage to the credit of corporations, honestly administered; it means damage to the credit of the country; it means damage to the economic life of the whole nation. It is the duty of the government to stop this. When I brought up this matter before, I think in the session of 1903, I received all sorts of compliments from people on all sides. I received letters from people in Montreal, Toronto and elsewhere, stating that at last the truth was out and hoping that the government would act. Of course, the Liberal government of that day did not act; the Conservative government which followed did not act, nor did any other government. Why? Do hon. members know what people are saying? They say: You will never get reform in that way because too many members of parliament are interested in the game. I do not believe that, but that is the impression abroad.

I was told last week by one of the safest, one of the keenest bankers in Canada, one who enjoys the confidence of the whole financial and commercial public, the confidence of all parties and all governments, that three years ago all the stock exchange brokers in Montreal, with the exception of perhaps two or three, were absolutely bankrupt. They had to be carried by the banks because the banks were afraid of the reactions which might follow. Are we going to allow such things to continue? I have reminded the house already of a very remarkable reform brought about in Italy, not by Mussolini, but by the Liberal government of Giolitti, the safest man who has been at the head of affairs of that country during the last half century. He was frightened at the speculative spirit that had developed in his country. The Germans were coming in and investing millions, and Italians with their instinctive gambling spirit—they have had their mora and their lotteries for centuries—began playing with hundreds of thousands of lire. This gambling was injuring the credit of the country; and many families were ruined. Giolitti decided that there must be a stop. He put through a very simple law which rendered null and void the sale or purchase of any bond or share unless it was paid for one hundred per cent and registered in the name of the purchaser. Of course there were protests: Restriction of trade! Encroachment upon individual liberty! But he let them cry. Later on, he was told by practically two-thirds of the business men of Italy, some of whom had criticized him most severely, that he had saved Italy. I repeat, why should not we go outside the countries under the British flag or under the star spangled banner for guidance in some matters? Intelligence, especially economic intelligence, is to be found elsewhere. Take France, for instance. I have friends in the various parties in that country. I do not like their politics, either national or international. However, economically speaking, France has the best record of any occidental country in the world.

Why this is so I shall reserve for a future occasion; but at this time I would remind the house that in that country, the government has preserved a fairly equal balance between utter neglect of its duties and undue interference. I think the time has come for us to act in a similar manner.

I shall not refer to the control of prices, an extremely important matter, as this is the subject matter of the study of a committee of this house. I shall not do more than say to the hon. member for St. Mary (Mr. Deslauriers) that I concur entirely with the views he expressed some time ago in connection with the fuel situation in Montreal. Do hon. members realize the social and moral danger arising from such a situation? As we say in French: Put yourself in the shoes of the average individual in Montreal. I suppose there are in Montreal at the present time some three or four hundred thousand people either poverty stricken or on the verge of poverty. Just imagine these people having to pay three times what they should pay for their coal during a winter like this. An inquiry was started, but imagine their feelings when they read that after Senator Webster had given his testimony he started on a cruise around the world in one of our palatial boats. No doubt when he was going through the strait of Gibraltar and was contemplating that magnificent rock, no doubt when he was nearing the Red sea, and glanced at the pyramids and perhaps put a question to the sphinx; no doubt when he reached the Straits Settlements, having been in contact with all races and nations of the world, he forgot all about the coal situation in Montreal. But I ask again, what are the feelings of the people who had to pay four times as much for the coal as it was worth—the coal controlled by the monopoly organized by Senator Webster? Do you think they have much regard for our leading classes, for the Senate of which that hon. gentleman is an ornament, or the House of Commons which is supposed to stand in defence of the rights of poor people, or the governments—because this refers to Quebec as well as Ottawa—which are supposed to care so much for the masses during an election? Of course, we all love the people when an election comes on; we are prepared to give them everything they want. But after the election is over, we allow them to be fleeced by our friends, party contributors and pillars of church and state and social order.

I pass now to control of credit, which is perhaps the most important question. I will not speak of rural credit, but I would invite those who take an interest in this subject to study how an Italian Jew, Luzzatti, solved the problem in Italy before he became Minister of Finance, in the same cabinet with Giolitti. He started, in characteristic Italian fashion, in a very small way, organizing a few individuals in this village, in that part of the country, and elsewhere, and so on, until, within a few years, not only did the small rural banks save agriculture, the culture of vines, but when Italy was on the verge of bankruptcy, thanks to the megalomania of Crispi, who launched Italy into the arms of the triple alliance, it was these small banks that saved Italy. The big banks had invested so much money in armaments, in big industries and other large concerns that they had no more money to lend the government. It was the farmers, the vine growers of Italy, through their banks, who saved the situation and put Italy once more on the safe path.

Here and now I predict that if the countries of Europe, Italy especially, are spared war or revolution within the next ten years, they will pass through this crisis much more quickly than we shall and will emerge in a far better condition, because they have not lost their senses to the extent that we have; they have not abused credit as much as we have, both for public and private enterprises.

I will not refer to our banks except to state quite candidly that my attitude towards these institutions, in matters of credit, is the opposite of the general attitude in Canada. My reproach to the banks is not that they have refused credit but that they have given it too freely in times of extravagance. It is all very well to say that the banks do not lend money on land, on mines or on stocks; but when money was abundant, when business was supposed to be prosperous—business as a matter of fact was ill; it was suffering from a fever of folly in the years which preceded the crash,—any ten individuals in Montreal could borrow money on notes signed by one another—what for? To put into trade? No, sir; to speculate, to gamble in lands and mines and stocks. They did it either directly or through their stockholders. It would be interesting to know the amount of credit which was once given to one single stock-broking agency in Montreal—why not name it?—Holt, Gundy & Co., by the Royal Bank, the head of which is Sir Herbert Holt, associated with the same Holt, Gundy. It would be interesting to find that out.

Now there is another form of credit in which I take a good deal of interest, from the point of view of the family, of small people, and that is the sale of goods on terms or on instalments. That has done a good deal to ruin small trade; it has ruined families, not only financially but morally.

Dishonesty in business has increased in the city of Montreal during the last ten years to astounding proportions, and that owing largely to the system of sales on instalments, protected as it is by a law passed some years ago in Quebec.

An hon. MEMBER: Does that apply only to Montreal?

Mr. BOURASSA: No, but Montreal is a large city. There are many people whose dwellings are filled with goods unpaid for, over which the landlord has no claim and which the legal owners, the original sellers, do not care to take back inasmuch as they have received very often enough money on such goods. They leave them there with the result that the tenant who has purchased the goods is in debt, does not pay his rent, and the landlord suffers, the city suffers and everyone suffers. In the long run the seller himself suffers because he has too much out on credit.

We should put a stop to this as well as to the growth of the system of coupons and premiums and "drawing cards." I was amazed at a memorandum given me last fall by one of the most important tobacco firms in Montreal, showing the amount of money which they are forced to disburse in order to cope with the competition of other firms who resort to this sort of thing. That is not only an imposition on competing firms and factories, but it is also unfair to the trade; because the so-called premiums which they give fill up certain stores with goods purchased at much less than cost price and therefore sold in unfair competition against the ordinary trader.

Now to sum up this chapter, I say that the main concern of parliament and of the government should be to revive local life, to revive local trade half ruined by the large departmental stores, aided by the state through postal distribution and rural mail delivery. We should do all we can to revive local industry and husbandry, destroyed by trusts and combines protected by tariffs and defective companies acts, both federal and provincial. Village life is undermined, rural communities are depleted, cities and towns are congested, with all the economic, political and social consequences that follow, a far greater menace than bolshevism in Russia, because that is the hotbed of bolshevism in Canada.

My friend from Winnipeg North Centre (Mr. Woodsworth), on a subject akin to this, said, "Oh, but we cannot turn back the hands of the clock." I beg to differ from him on that. It all depends on the clock. I have known clocks, well made, the hands of which could be turned backwards or forwards. I will not say the same for cheap clocks—and our economics, though they have cost us much money, are cheap in quality. But surely if the clock runs amuck it can be stopped; the pendulum can be adjusted, the wheels cleaned and set in order so that the clock will keep correct time and mark the right hour all day long. Is that not the real thing we should have in view? I contend that it is. I contend that what we need, from government down to the poorest individual in the land, is a return to normal life. What we need is to bring back, not only to the farm, as has been mentioned frequently in the house, but to the village as well, a large number of people who have been lured, by the war and by the false industries started during the war, to the large cities.

May I recommend to the attention of all the marvellous work done in a modest way by a modest employee of the Canadian National Railways in Montreal, Mr. J. E. Laforce? Not only by lectures over the radio, but also by his own active work, he brings to the Abitibi and various other districts, once or twice a month, sometimes ten, sometimes twenty families whom he places where it is most likely they will succeed. He does not organize things in a spectacular way, with big trains filled up with men, women and children who are thrown into the desert, the forest or the marsh without any prospect of success. No; he knows the place; he knows the people; he knows their needs; and what money he gets from governments he knows will not be misplaced. If those humble efforts of a single modest French Canadian employee had been, I shall not say helped, because he has been helped sufficiently, but followed up; if his example were followed now and repeated in every large centre of Canada, that would be a far greater contribution to social readjustment than many great schemes.

We must also look to a reduction in the cost of living and labour. Here again I am afraid that I shall not be in accord with most people. The general opinion seems to be that we should keep everything up. I say that we should bring everything down—not down into the abyss, but down to the level on which most human beings were accustomed to live prior to the war, where we shall find rest, not in the clouds, not on the tops of mountains, not in the depth of abysses and marshes, but on good solid level ground.

We must also encourage thrift and honest production. Some years ago the Minister of Trade and Commerce launched a creed urging all consumers in Canada to purchase Canadian made goods. An appeal should be made to all producers in Canada, from manufac-

turers down to labourers and farmers, to give us honest products. Since the war, the quality of many of our products has deteriorated owing to lack of conscience on the part not only of managers but of labourers as well. The main concern of most people, to-day, among those at the head of affairs, is to make as much money as possible, and of those at the foot to get rid of their work with the least possible effort of intelligence and of the hand. A sense of duty is lacking in all classes.

It is said: But you will thereby lower the standard of living. Here again I am afraid that I shall find myself more in isolation than ever. What is meant by a high standard of living? Of course, if cost is meant, I admit that more money is spent by the average Canadian or American than by the average European. But if by standard of living is meant a certain balance in human activities, a certain degree of satisfaction to the mind and to the heart, and comfort to the body, I have no hesitation in saying this: I have travelled and lived in eight or ten countries in Europe. From the view point of either moral, intellectual, artistic or even material life, the standard of life of the French, the Italian, the Swiss, the Belgian, the Dutch, the German, not to speak of the Britisher, is higher than that of Canadians and Americans. One of the closest students of things British, a great admirer of Great Britain and the British mind, a Frenchman who knows all parts of the British Empire and, by the way, a Protestant by religion, Mr. André Siegfried, whom I knew thirty-five years ago, who is still a close student of all matters pertaining to England and her empire, and to the United States republic as well, published three or four years ago, at the inception of this crisis, a most illuminating book on the situation in England. He then predicted, with evidence at the back of his opinion, that England would never recover her supremacy in matters of trade and industry until her people renounced their false ideas with regard to standard of life, because the continental European, more modest, more economical and at the same time more concerned about giving a little time of his life to thought, study and art, contenting himself with more modest foods and humbler garments, but at the same time having more satisfaction in life, gave better work than did the Englishman. If we had to compare continental Europe with America, I am afraid the comparison would be still more disastrous.

That brings me to the question of unemployment. I shall be very brief on this question because it has been so frequently discussed. I immediately express the view that we must as soon as possible suppress the dole and also the concentration camps. Let us give work, yes, but here I want to say what I think about work. Give big works, spectacular work? No. That again shows the spirit of the parvenu. Trans-Canadian highways, big buildings? No. That means that half the money goes to contractors and in payment of machinery. Further, it means simply the transportation of thousands of men from one part of the country to another, thereby training in a wandering and homeless life hundreds of thousands of Canadians. I say, on the contrary, that we should have numerous small works, useful works, everywhere. As regards the constituency that I represent, I pointed out to the permanent official who had to deal with relief funds, that this government alone had spent in my constituency some $6,000 or $7,000 that could have been spared because they were spent on useless work. Of course he said that that was due, and I suppose rightly so, to the fact that the expenditure had been approved by the Quebec government. I said: "When you give money to Quebec, surely you should know what is done with it." It is useless building public halls, roads to enable club men in Montreal to go more comfortably at the time of trout fishing or deer hunting from that city to the midst of my constituency. Build useful works, works that will result in permanent benefit to the people of the locality, scattering men here and there, in villages, so that they cannot be a threat to any place where they are and still less a threat to the community. In other words, a great problem in this respect is what some people might call conscription of labour. Call it that if you like. As I said about conscription of wealth, labour having been conscripted to kill and destroy, surely it is as legitimate to conscript labour to reconstruct and give life. But it is not necessary to call it by that odious name. The problem is, a better distribution of work and labour with a view to reestablishing a balance between rural and urban population and sending back some of the blood now concentrated in the centres through the arteries to all parts of the country.

That brings me to a much discussed question, that of the maintenance of public order. Here again I am sorry but I cannot quite agree with my hon. friends to the left. The main function of the state is to maintain public order for the benefit of all.

Miss MACPHAIL: Who said it was not?

Mr. BOURASSA: But the state cannot exercise that power with moral authority unless the repression of disorder takes place everywhere, from top to bottom. Torture has been reestablished in Canada, to secure avowals from people not even declared guilty by courts of law. Scourging is now being inflicted on burglars; perhaps it is necessary, but my sense of justice and that of many other Canadians is not satisfied. If we are going to reestablish forms of punishment which were discarded two hundred years ago as barbarous, and inflict them on the small criminal, then I suggest that the pillory should be reestablished in the Place d'Armes in Montreal, and men responsible for the present economic and social unrest be put in the stocks, so that the good people from town and country will have the right to go and throw cabbages at them, as was done in London and Paris and elsewhere, when there was some kind of social justice. I would not kill them, but I would give them a good lesson.

Something must be done to alleviate the "hard, cruel, relentless" burden now weighing upon the shoulders of the masses. I borrow those words from the encyclical of Pope Pius XI. Men of wealth who abuse their power, keeping the poor, keeping us all, in various degrees, in subjection, must be brought to their senses or severely punished. This is not revolution. Go back in history. I will give only two instances. Find out in what manner Louis XIV dealt with Fouquet, in what manner Napoleon dealt with Ouvrard; and you will see how, under monarchical government in one case, dictatorial in the second, but with the consent of the people, millionaire financiers who had abused their power were dealt with under the law.

But having said so much, I also say it is the duty of the government to suppress, and better still to prevent riots; not so much punishing the rioters, most of whom are poor, misguided fools, but by punishing, first, those who, by their injustice to the poor and the oppressed, cause such a state of suffering that they lose their head and follow the first demagogue who appeals to them. Secondly, I go further than the Minister of Justice went last year; rather than punishing the rioter when the riot has taken place, I say boldly: Gag the demagogue.

I know my hon. friend near me is concerned about liberty of speech, and I know he is sincere. Before I answer him on this point, however, I give for a second time a friendly warning to my Quebec friends, right or left: cease charging the hon. member for Winnipeg North Centre (Mr. Woodsworth) with communistic views. You know it is untrue, you know it is a slander, you know it is unfair to a man with whose ideas you may differ, but whose sincerity no one can question. I repeat, a day may come, and come sooner than you think, when people who now denounce the leader of the C.C.F. will regard him as a bulwark against demagogy and communism. Everyone who reads what is taking place knows that he has no bitterer enemies in Canada than the communists; he has been denounced by them from the beginning. But I repeat, I cannot share his view that liberty of speech must be untrammelled. Liberty of speech, like every other kind of liberty, ceases to be legitimate when it endangers social order and interferes with the liberty of others.

Much has been said about those trials for blasphemy in Quebec. Some have said it is a return to mediaevalism. May I repeat what I stated during the debate on the address? Try to understand the feelings of all. For forty years I have endeavoured to understand the viewpoint of the westerner, for example, and on many occasions I have been able to make my fellow citizens in Quebec understand some of the problems of the west. Likewise, try to understand us. Realize this, I say it from the bottom of my heart, that an insult to our God, an insult to our church, is more hurtful to our sense of human dignity than an insult to father or mother. Shall we then, those of us who have authority, let the first demagogue on the street throw mud at the name we revere and at the institution in which we were born and in which we wish to die? Is it not interfering with the liberty of those poor bleeding people who have no other consolation but in praying to God, in remaining from birth to death in the arms of their church, to have it insulted without any protection being given to them? We do not ask anybody to believe as we believe, but we ask not to be insulted. As I said to one of those demagogues: How much bread will it give to the poor, or what good will it do them, that you throw mud at the name of God, or throw insults at men and women who, for forty or fifty years, have lived a life of sacrifice to feed the poor, clean the unclean, give some kind of moral life where there was only dirt, corruption and degradation? Respect us as we respect others.

But, it is said, we must save democracy. I must confess that to me democracy is very much a catch word. During the war I was once bold enough to state before an audience in the United States something, that the moment I said it, I thought would bring thunder on my head. You remember Presi-

dent Wilson's famous saying, "We fight to make the world safe for democracy." After I had seen the turn of things, the passions, the greed, the ambitions of all nations as revealed in the peace negotiations, I said to that audience: Ladies and gentlemen, I am afraid we must slightly correct President Wilson's saying, and admit that we have fought to make the world safe for hypocrisy. The famous definition: "Government of the people, for the people and by the people," is at once a truth and a falsity. "Of the people"—of course, it is obvious; every government is a government of the people. "For the people"—that is what it ought to be, but unfortunately very few governments are for the people governed. They are first for the people who exercise government. "By the people"—that has never been and will never be. Under a democracy the people, once in a while, delegate to certain legislative or governing bodies individuals who are supposed to represent their views. But which of us can claim that upon any question coming before the house, he is voicing the views or the aspirations of the people he represents? Of course not.

Socialism is sounder—I am not afraid to say this—than either democracy or liberalism. As a reaction against individualism, it has been a godsend to the world; but in practice it is evincing itself as a mere entrance either to communism or to fascism, two forms of tyranny.

It may be asked: Why not stick to the good old conservatism? Well, at the risk of appearing very critical, I say that conservatism is an impossibility. In its strict sense and usual practice, it means the conservation of everything which exists—of the bad as well as of the good. It means the conservation of the bad germs which bring about revolution. If you wish to preserve or restore what is good in society, you must boldly destroy what is wrong.

On one point, however, there must be agreement. Whether we like it or not, a new social order has to arise. May I make a slight correction and suggest that what we need is not a new social order but a restoration of the old one, a reconstruction, which would mean making use of all that was true, good, enduring and fruitful in the old society, and giving a new construction adaptable to present needs. Under such a restored order there ought to be a just balance between authority and liberty, between individual right and social duty.

Before closing, Mr. Speaker, may I crave the indulgence of the house, for the remainder of this speech which is already too long, to resort to my notes? It is the first, and probably the last time in thirty-eight years, I have done so. However, as these are very delicate subjects, I have preferred to put down in writing what I have to say.

Under the law of nature spiritualized by Christianity, social order rests on three bases, of unequal importance: property, family, religion; the material, the social, the spiritual.

Property is theft, said Proud'hon—"La propriété c'est le vol." That proposition raised a cry of horror and reprobation, especially from the ranks of property owners. But the greatest Catholic social leader of Germany, I might say of Europe, Ketteler, Bishop of Mayence—he whom Pope Leo XIII since called his "predecessor" in the work of social reform—Ketteler had the courage to acknowledge that Proud'hon's paradox "contains both a huge lie and a fertile truth." Of course I am quoting the translation. "We must first destroy what is true therein to make it a complete falsehood—It is the false right of property which gave birth to the false theory of communism." That is, the false right of property under modern legislation. In other words, the right of property is real; but in the concrete, much property is acquired by theft and held unjustly, with the complicity of man-made laws.

According to Catholic teaching, from Christ to Pius XI, through Paul, Thomas Aquinas, Bossuet, and thousands of others, no man has an absolute right of property on any thing. God is the creator and sole owner of all earthly goods. In his munificence he puts at the disposal of mankind, of all men, women and children, for their sustenance, all that the earth contains and produces. No individual has the right to possess himself of anything to the detriment of his fellow beings. All that any individual can claim is the right to enjoy the fruits of his labour, to capitalize them—I do not like that word; I would rather say to stabilize—and freely dispose of them, by testament or otherwise, but never to the detriment of other individuals and of the community at large. Whenever any individual, or group of individuals, violates that law of social justice and order, it is the right, nay, the pre-eminent duty of the state, representing the community, and bound to protect the poor, the oppressed—as the kings of France, when Christianity prevailed over Roman law, swore to, in their coronation oath—it is the duty of the state to intervene and check greed, accumulation of wealth, combines, and all the devices by which the

kings of finance oppress the poor and deprive them of their natural right to acquire their modest share of temporal goods.

Property, private or corporate, to be legitimate, must be honestly acquired, properly administered and used for righteous purposes. To be useful to society it ought to be fairly distributed amongst the largest possible number of individuals in the community.

Now—and on this point I call the special attention of my French speaking and Catholic colleagues on both sides of the house—this form of property, the small property, the most legitimate, the most useful to society, is being destroyed in Canada, in Quebec, in the city of Montreal especially, by capitalism, by taxation, by false economics and a foolish standard of life, as rapidly and effectively as in Russia by communism and bolshevistic rule or misrule.

The situation is still graver when you relate property to family. According to Pope Leo XIII, the right of man to private property—limited as aforesaid—is strengthened by the "extension" of man into the "domestic society," the family.

Family is the essential cell of society. To Canadians, this obvious truth need not be demonstrated, although it would be easy to point out the disintegrating influence exercised on the family, in Quebec, by French jacobinism as expressed in our Quebec civil code, and all through Canada by the no less destructive individualism transfused to us by the Manchester school of thought.

All I wish to say now, as a warning to our leaders, in church and state, is this: Family, like private property, is at present being threatened, nay, demoralized and destroyed, in Canada, in Quebec, in the city of Montreal more perhaps than anywhere else, by capitalism, materialism, taxation and extravagance, as surely, if less ruthlessly, as in Russia, under the yoke of Lenin and his disciples. In Montreal and other large centres, it is almost impossible to-day, for thousands of good, honest men and women, to maintain a home and a family, and for thousands of young folks to found one. Hence a rapid spread of anti-conceptional practices among married people, a frightful increase of immorality in the young people of both sexes, a marked degradation of faith and morals among all. I am referring now to Catholics and French-Canadians alone. Not that I think they are any worse than others, but I am more concerned about them. These signs of moral disintegration are forerunners of revolution. Remember France, ten years, five years before the storm which carried away church and monarchy. Think of Spain, a few years ago.

[Mr. Bourassa.]

These portents, I confess, give me more concern, as a father, a Canadian, a Catholic, than the crimes and follies perpetrated in Moscow, or the greater or lesser degree of orthodoxy, heterodoxy or a-doxy in the program of any political party in Canada. In a country like Canada, facts, sentiments and tendencies count much more than theories and doctrines.

This brings me to the third and, by far, the most important basis of social order.

Was it Karl Marx or Lasalle who said that religion is the opium of the people? Like Proud'hon's paradox on property, this also contains a truth and a falsehood. False religion, or religion misinterpreted and misapplied, may, like opium, stupefy and poison an ailing community. But, like opium again, when properly administered, it alleviates sufferings, makes possible an otherwise killing operation, gives sleep and rest, and finally enables the body, individual or social, to recover health and strength.

Religion is not much in vogue these days, —not even among our church-going population in Canada—I mean true religion. Statesmen ignore it, at least officially. Most of the scientists disdain it. Materialists deride it. Nevertheless, it was, it is, it shall remain the only permanent foundation of social order. Without belief in God, in divine justice and mercy, there can be no peace on earth—no lasting peace between nations, no set order within nations. The brotherhood of man cannot be without the fatherhood of God. No human power has the right to govern men and nations, to command obedience, unless it rests on a God-ordained basis of authority.

Why obey Moses or Caesar, Louis XIV or Henry VIII, Hitler or Mussolini, R. B. Bennett or Mackenzie King, George Henry or Alexandre Taschereau—Heaven knows it is hard at times to obey any one of them!—why, I repeat, obey them unless one believes that all powers, faulty as may be the men in authority, are to them delegated by God through the explicit or tacit consent of the people? Why should I sacrifice some or any of my whims or caprices, still less of my needs, to help any other man unless I believe that all men are the children of the same Father in heaven, redeemed by the One Saviour, Son of God and brother of man?

The essence of religion is the love of God and of one another, and that love must express itself by deeds, individual, social, political, national and international.

Religion cannot maintain its sway on human minds, direct human activities, still less check human greed and all human passions, unless it is taught to man, from childhood to death,

unless it penetrates everywhere—not only in places of worship, but in the home, the school and the shop, in parliaments and in courts of law—everywhere men converse, study, work, govern, legislate and judge. And the teaching of religion, to be effective and enduring, must be given by the duly constituted authority of the church, or under its direction. This is what makes the ever-perplexing problem of church and state relations so difficult to solve in countries like Canada, where several churches are recognized by law and claim, each of them in varying degrees, the right to teach religion in their own way.

On this delicate point, may I be permitted for the first, and probably the last time in this parliament, to confess my faith without equivocation? Born in the Catholic fold, I was reared in a family circle comprising Catholics, Protestants and agnostics. I was exposed to those various currents of thought. Fifty years of study, of travel, of contact with some of the leading minds of our time—and, through reading, of the past as well—have entrenched me in the belief that the Catholic church is the church divinely instituted and divinely inspired to lead men to their eternal salvation along the path of truth and justice, individual and social. Woe to us, bad or tepid Catholics, whose conduct in private and public life stands in testimony against the teaching of the church, a stumbling block to the weak, the unbeliever, the agnostic or the separated brother!

Heaven knows, I wish all Canadians, all men on earth, were true Catholics, better Catholics than I am! But under no circumstance do I believe in conversion by force, or in a state-ordained religion, such as Philip of Spain, Henry VIII in England, Louis XIV or Napoleon in France, Josephus in Austria or Peter the Great in Russia, tried to impose upon their peoples, to the detriment of both church and state.

In our days, all that the church can and does claim in fact is the right to teach, in the home and the school, as freely as in places of worship, the duty of all men to God and to their fellow beings, the respect of legitimate authority, of true liberty also, the practice of justice and charity to all, poor and rich alike. Now, that duty is incumbent upon all churches. Without any sacrifice of principle, dogmatic or ethical, all churches can and should work, either in conjunction or on parallel lines, to help the government and guide the people on their way to social and economic salvation. On the other hand, it is the duty of the state to second the spiritual power in its mission, but never, never to try and make use of religion for political or party ends.

Mutual help, toleration and forbearance between churches, classes and races, between provinces, cities, towns and rural communities, and also between political parties and factions, are today more essential than ever in Canada, and elsewhere. Without that moral accord, no law, no measure, no plan of financial or social reform, can succeed and save society.

At this point, may I open a short parenthesis and deplore the wave of anti-semitism now passing in the province of Quebec? Launched by a handful of irresponsible individuals, may it soon die out!. It is so unchristian, so contrary to the best traditions of Quebec! —the first part of the British Empire in which the Jews received at the hands of a French-speaking and Catholic majority, twenty-six years ahead of England, the full recognition of their civil, political and religious liberties. Should any French Canadian of sense and understanding be tempted to encourage that propaganda of hatred, let him remember that an attack upon any minority is a threat to all minorities. Jews are in the minority in Quebec, but Catholics and French Canadians are in the minority in eight provinces out of nine. Beware of reactions.

In conclusion may I express the fervent hope that all forces in the land, moral, intellectual and material, will coalesce on a ground of mutual understanding and cooperation to face the present critical situation with fortitude and self denial. Let each and all make his sacrifice to save the nation from the greed and selfishness of too many possessors of wealth and power, and thereby avoid the fast coming revenge of the poor and dispossessed. Let the spiritual overcome the material. Let us all, French or English-speaking Canadians, Catholics, Protestants, Jews and Gentiles, raise our souls to heaven and pray the Father of all men and all nations to inspire our leaders in church and state so that they may lead us in the path of salvation. But to accomplish this, they, the leaders, must give to the people who are crying for moral and material nourishment, not the stone of brute force and soulless laws, not empty words of nugatory advice, but the divine bread of justice and the material means to live and let live.

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, if no other hon. member desires to speak I should like to say a few words before the question is put. The previous speaker (Mr. Bourassa) has introduced

a few matters which have been brought to the attention of this house on numerous occasions. He spoke of unemployment, of interest and of other matters. Hon. members in this corner of the house have introduced resolutions dealing with these fundamentals but every time they have been introduced, they have been turned down by the government. Just recently the principle of titles was accepted by the government, and in this connection I have a little plan which may or may not help to solve the present depression. Why not hold the government down to something tangible? It is not the use of titles but the abuse of titles to which this section of the house is opposed.

While the hon. member was speaking I figured out that there were at least seven kinds of titles which could be given to people in this country. A man could be made a duke, a marquis, an earl, a viscount, a baron, a baronet or a knight. I have figured that in Canada there are about ten thousand persons with a hankering for titles. I figure that there must be at least 1,600 with a hankering for the title of duke. If each of these were to pay $50,000 into the coffers of the state it would add to the treasury of Canada about $80,000,000. There are about 1,500 men who would like the title of marquis. At $25,000 apiece, this would add $35,500,000 to the coffers of Canada. About 1,400 would like the title of earl; at $15,000 a head this would make $21,000,000. Thirteen hundred men would like the title of viscount; at $10,000 each this would provide $13,000,000. There are 1,200 who would like to be barons; at $9,000 each this would provide $10,800,000. Eleven hundred would like to be baronets; at $8,000 each, this would provide $8,800,000. There are perhaps 1,000 of the common run of men in this country who would like to have the title of knight; at $7,000, this would provide $7,000,000. Assuming that there are 900 men who would be satisfied with any title; at $6,000 each they would provide $5,400,000. We would thus have the magnificent sum of $183,500,000 to help to balance the budget and solve the question of unemployment and other pressing problems.

I thought that this issue had died away back in 1919; I thought that it had been interred with all the good or bad that there might have been therein, but evidently it has been resuscitated. The Prime Minister has given it a shining badge of honour. I am reminded of a dead fish which has been thrown up by the ocean to rot upon a sandy beach and then taken back again. The whole thing looks to me like a dead mackerel. I see no reason for reintroducing the question of titles. If anyone wants a title, let him pay for it and provide the magnificent sum of $183,500,000 for the benefit of this country. I cannot express myself in any other words than to say it is like a dead mackerel in the moonlight—the whole thing shines and stinks.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, we have listened this afternoon to a very able discussion of the affairs of Canada considered on broad and general lines. I am sorry that many members of the government have been otherwise engaged in some of the committees and were unable to remain to hear the greater part of the address of the hon. member for Labelle (Mr. Bourassa). He has covered so much ground in his survey of conditions in Canada that it is hard at the moment to express an opinion either favourable or unfavourable in connection with certain of the propositions which he has laid down with his usual force and ability. However, I am satisfied that the house and the country will profit from the clear exposition which he has given of national affairs as considered from his own point of view. I have no doubt that in launching his motion on this occasion it was his intention to place his views fully and forcibly before the house and the country and, the hon. gentleman having achieved that object, I am wondering whether he would now be willing to withdraw his motion or whether he desires the matter to be carried to a conclusion.

Mr. BOURASSA: As the Minister of Justice (Mr. Guthrie) has said, naturally in framing the resolution I had not in view the adoption of any particular form; I simply wanted, as he says, to open the way to a broad discussion of all aspects of the problem. So far as I am concerned therefore I have no objection to withdrawing the motion with the consent of the house.

Amendment withdrawn.

Motion agreed to and the house went into committee of supply, Mr. Rowe in the chair.

ROYAL CANADIAN MOUNTED POLICE

Pay of force and allowances: (including salaries of two constables, Ellesmere island district, at $2.25 per diem to assure department against loss through death, arms and ammunition, barrack buildings, repairs and renewals and furnishings, clothing and equip-

ment, communication services, court and legal expenses, criminal investigation branch, enforcement of federal statutes, fuel and light, transport horses and dogs, transport mechanical, dental, medical and hospital, miscellaneous, special services Opium and Narcotic Drug Act, printing and stationery, transport railway, rations, rents, travelling expenses, transport water), $5,603,595.75.

Mr. MACKENZIE KING: Will the minister give the house some particulars as to the size of the force at the present time?

Hon. HUGH GUTHRIE (Minister of Justice): When the mounted police bill was before the house and in committee I gave the figures and they appear on Hansard. My recollection at the moment is that the force at the present time all told is 2,512.

Mr. LUCAS: Provision is made in this item for two constables in Ellesmere island district. What are their duties?

Mr. GUTHRIE: One of their principal duties is to hold the island formally in the name of the crown. There are some contentious claims in regard to the ownership of it, and I believe that at the present time there is prospect of an expedition under Mr. Shackleton, son of the great explorer, who will go to Ellesmere island within the next few months on a voyage of exploration. The one main object in a few of these very northerly districts is to occupy them formally in possession of the crown.

Mr. GRAY: Is it the policy of the force to use spotters in connection with the work of the Royal Canadian Mounted Police?

Mr. GUTHRIE: No; it is not the policy of the force to use spotters.

Mr. GRAY: I am glad to hear the minister say that. I had not intended bringing this matter before the house at this time, but I wish to direct the attention of the minister to the fact that spotters are being used and have been used in the past along the border of the constituency which I represent. I condemn this practice as heartily as the minister does. In connection with narcotics I can appreciate the contention that there may be some reason for it, although even there it is to be deplored. I have personal knowledge however, that spotters have been used, and in the particular instance I have in mind the spotter employed was a boy of twenty, a chap named Campbell from the city of Windsor, who was used to go in and if possible get someone to commit a crime, and the evidence he gave at the police court in connection with the matter was that he was paid some fifty dollars for the information he would obtain if convictions followed. I stated at that time in the court that I would call the matter to the attention of the minister and I do so now, convinced that I shall have the assurance of the hon. gentleman that the subject matter will be investigated. I have not my file before me at the present moment but I am quite prepared to lay all the facts before the minister and I hope I shall receive his assurance that the matter will be investigated and the practice stopped.

Mr. GUTHRIE: If my hon. friend will write me a letter giving the particulars I will undertake to have an investigation made at once. The term spotter may not perhaps be understood in the same way by my hon. friend and myself.

Mr. GRAY: I think so.

Mr. GUTHRIE: We have a secret service in the force, as is well known—

Mr. GRAY: He was not in any way a member of the force.

Mr. GUTHRIE: —but we do not employ men to induce others to commit crimes. That is a reprehensible practice and is not permitted in the force, and if the facts are given I will have them investigated at once.

Mr. WOODSWORTH: Is it the policy of the department to employ any detectives from private detective firms?

Mr. GUTHRIE: No. Any in the secret service belong to the police force itself and not to private firms.

Mr. WOODSWORTH: With regard to these detectives who belong to the force itself, are their instructions in any way to provoke people to make speeches that might be considered to be defamatory or libelous or seditious?

Mr. GUTHRIE: I can answer that without a moment's hesitation: no; they have no such instructions.

Mr. WOODSWORTH: Are there in the force to-day people who are carrying on such tactics as were carried on some years ago by Corporal Zanith and more recently by Sergeant Leopold?

Mr. GUTHRIE: Sergeant Leopold was a member of the secret service of the force.

Mr. WOODSWORTH: Are tactics carried on by other members of the force similar to those carried on by Sergeant Leopold?

Mr. GUTHRIE: I know nothing in regard to the conduct of Sergeant Leopold for which he should be reprimanded at all. He was carrying out his duty.

Mr. WOODSWORTH: I may say that it is commonly believed in a great many labour circles that at ordinary meetings of trade unions and at other gatherings of labour people there are present detectives who are there to work their way into the trade union organizations and on occasion to advise action which would be anything but desirable in the public interest. It seems to me that it is going very far for a government department to have men doing such work as was done some years ago by Sergeant Leopold and as, I presume, is being done to-day. He became an official of an ordinary trade union. As such he undoubtedly had access to the books and he participated in the discussions of that trade union. A trade union is a quite legitimate organization. In talking before labour groups I have again and again been cautioned against listening to certain people who were regarded by the members of the trade unions as spies. Do not, they said, let them lead you to say anything which might in any way give them a tag. I remember meeting Sergeant Leopold ten or fifteen years ago when he was an official of a trade union in Regina. I remember his asking me to come to his home, an invitation which I could not accept. I thought it was given in all good faith but my time did not permit me to accept it. I think it is an outrageous situation when legitimate trade unions may be invaded by government spies and when we never know whether the discussions that are going on are absolutely in good faith or whether they are being participated in by people who have ulterior motives to serve. Only the other day I was in a group in Toronto where there had been a good deal of disturbance right within the organization itself and when it was suggested to me that in all probablity one of the men who had provoked the disturbance was an agent of the government. I am in no position to say whether or not that statement was true.

Mr. GUTHRIE: Then the statement should not be made here. It is a nasty insinuation against a very good force.

Mr. WOODSWORTH: As I say, I am in no position to say whether that statement was true.

[Mr. Guthrie.]

Mr. ROBINSON: Has the hon. member then any right to insinuate that?

Mr. WOODSWORTH: Yes, I have because I know the work carried on by Sergeant Leopold and I know the work carried on some years ago by Sergeant Zanith. The latter, it was shown in court, was selling books which he knew to be banned. If instructions were given to those officials to go, if it were possible to do so, into a meeting of the directors of, say the Royal Bank or the Sun Life or the Webster coal combine and secure secrets there, I do not know that I would have very much to say against such action. But when legitimate trade unions are liable to be invaded in this way, I wish to make a decided protest against that kind of thing.

Mr. GUTHRIE: Then I give a distinct denial to the insinuation which has been made by the hon. member for Winnipeg North Centre. He says that government secret agents or spies have invaded meetings of legitimate trade associations or unions and I give him an absolute denial to that statement. I think his insinuation is unworthy of him. He listens to rumours, rumours coming to him I think in many cases on very questionable authority and his grievance against this particular man Leopold is that he is the one who gave evidence when the eight communists were convicted in Toronto. That is the grievance of the hon. member for Winnipeg North Centre in that instance. I do not know what meetings he attends; I do not know why he has to be warned at those meetings of the presence of spies, but I can assure him that in legitimate meetings of labour unions or associations there are no government agents or spies.

Mr. WOODSWORTH: I would be glad to accept that statement of the minister, but I can hardly do so when it was revealed in the statements of Sergeant Leopold that he had been a member of a trade union in Regina.

Mr. GUTHRIE: I did not say that he was not a member; I said that at that time it was a communist union he was secretary of and at that time he was doing secret service work.

Mr. WOODSWORTH: All I can say is that I remember meeting him in the regular trade union meetings in the city of Regina.

Mr. MITCHELL: Sergeant Leopold was financial secretary or secretary of the local

union of the international brotherhood of paper hangers and painters in Regina and this in my judgment substantiates the statement made by the hon. member for Winnipeg North Centre. Whether he may have been placed there to spy on the communists, I have no knowledge, but I know at that time he was an officer of a regularly constituted union in this country. He sat in the Regina convention of the trades and labour congress and if I remember aright, he was some years ago a delegate there at that congress and at the same time, of course, a member of the secret service.

Mr. MACKENZIE KING: This item looks to me as though it were a consolidation of several items as they formerly appeared in the estimates. It covers practically all the estimates of the mounted police.

Mr. GUTHRIE: It is the same item as that which appeared last year.

Mr. MACKENZIE KING: But it is somewhat different from the estimates of the mounted police for years prior to last year.

Mr. GUTHRIE: I think there were only two items formerly.

Mr. MACKENZIE KING: Could the minister tell us what it means and could he, say after the six o'clock recess, give us the amounts for the different services represented? As I read the item it does not make much sense:

> Pay of force and allowances: (including salaries of two constables, Ellesmere island district at $2.25 per diem to assure department against loss through death, arms and ammunition—

That is the first sentence. Can the minister tell us just what it means? I think this is a badly compiled arrangement and what would help us in the committee to understand how the total expenditure is made up is to get some details as to the different services that are indicated.

Mr. GUTHRIE: I think the item is exactly the same as it was last year, but in former years I believe there were two items instead of one. I suppose it was consolidated for the sake of convenience more than for any other reason. I asked the commissioner to be here at eight o'clock; I did not anticipate that the item would be called until then, but I shall have all the details in the evening.

Mr. MACKENZIE KING: Perhaps we might take up the next item and pass it, allowing this one to stand.

Mr. ROSS: Before we pass to the next item, I should like to ask the minister whether these policemen in performance of their duty collect fines. For instance, in the enforcement of a federal statute, are the police entitled to go out and say what the fine will be in a particular case and to collect the cash? Have they authority to do that?

Mr. GUTHRIE: They have no authority to collect any fines, but in those cases certain allowances are made under the revenue acts of Canada. I think similar allowances are also made to certain customs officers. These do not go to the men; they go to a trust fund belonging to the force. The individual as such gets nothing of the fine. Formerly a certain amount was paid to the man who gave the information and conducted the prosecution.

Mr. ROSS: I think the minister misunderstood, I am not charging them with collecting the fines in their own interests. I am one of those who support the enforcement of law and order, who will not charge them with anything wrong, but I do think that this excellent body is gradually establishing a custom and system which is bringing discredit on the force and raising a great deal of dissatisfaction throughout the country. It may be the desire to make this one large, grand dominion body; at any rate I know that there are places and operations in which local police, provincial police, and the mounted police are all acting, and the result is productive of public opinion not favourable to good order. Along the front certain regulations and statutes are applicable. For instance there is the law, probably directed against rum running and smuggling, that requires a motorboat visiting the Canadian or the American side to register there, and then immediately return to and register at the nearest customs port. But that has caused a great deal of unnecessary trouble and the imposition of fines upon people along the border. For instance there are two islands in the St. Lawrence, one on the Canadian side and the other on the American. If people pass from one to the other for a game of bridge the boat has to report that it has been over to the other side. That requirement has led

to the imposition of fines. Let me tell of one case that I know will gain the sympathy of the minister and of the committee. Two Americans, a man and a woman, were summering on Wolfe island. They received a notice in the night that their son was in some trouble and that they had to get home immediately. They got a motorboat to take them to Clayton. The man who took them over, a good Canadian citizen resident on Wolfe island, failed to go to Kingston or Gananoque on his return and report that he had been across. One of these policemen went to Clayton, found that this boat had registered there, and that there was no registry of its return to the Canadian side. The result was a fine of $50, with possible seizure of the boat. Now that is inflicting unnecessary trouble and suffering on a man who had done a charitable act. Fortunately we were able to get a certain amount of the fine refunded.

Then there are these house to house searches made on a blanket warrant. There is a long island one mile from the American shore. People there are perhaps eighteen miles from any place on the Canadian side where they might deal. People will not go that distance. A high school boy in Kingston who earns a little money in the summer by rowing Americans, getting the use of a boat from one family and another, was found with a little flashlight that he had purchased on the American side for fifty or sixty cents. He was fined $28, taking perhaps all his summer's earnings. Another was found with an old pair of overalls, and he was fined $28 or $29. I grant you it is the enforcement of a statute, but it seems to me small pettifogging interference. These people are not smugglers. I support with all my strength the repression of smuggling and rum running but I protest against the police entering citizen's houses with a blanket warrant and with no object in view but the chance of finding small things like that. I say to the minister and to the committee that one of the officials of the Department of National Revenue, Mr. Sim, who has been promoted, said it was rather a raw piece of work. It is not the sort of work that a great body should do.

Let me tell of another case on this island. Two Americans, brothers, had been coming for over twenty years to a certain summer place, not only while it belonged to its present owner, but in the time of his father before him. They had a lot of tackle, a shotgun, a rifle, and other things that had been in their possession for years, ever since they had first gone there. The police came and demanded of the owner of the house that they be allowed to look around. Remember they were not dealing with highly educated people, and this man did not know what answer to make. They found certain things, one being a paint brush that had been there for twenty years. When he was asked about these articles he was honest enough to tell what had come over from the other side; and having to decide quickly he replied: "They are mine; they were given to me." If he said they belonged to the Americans he knew they would be seized. For that he was fined $238. We got a little of it back, but I say to the minister that these things are regarded along the front as petty and unnecessary interference. I do not believe the police should have a blanket warrant to go into the homes of peaceful citizens, not smugglers, not rum runners, and make search from house to house.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READING

Bill No. 29, respecting the Wawanesa Mutual Insurance Company—Mr. Kennedy (Winnipeg).

BRITISH COLUMBIA TELEPHONE COMPANY

On the order:

Second reading of Bill No. 36, respecting British Columbia Telephone Company.—Mr. Fraser (Cariboo).

Mr. FRASER (Cariboo) moved:

That the order for the second reading of Bill No. 36, an act respecting British Columbia Telephone Company, be discharged and the bill withdrawn.

Motion agreed to and bill withdrawn.

SUPPLY

ROYAL CANADIAN MOUNTED POLICE

The house again in committee of supply, Mr. Gobeil in the chair.

Pay of force and allowances: (including salaries of two constables, Ellesmere island district at $2.25 per diem to assure department against loss through death, arms and ammunition, barrack buildings, repairs and renewals and furnishings, clothing and equipment, communication services, court and legal expenses, criminal investigation branch, enforcement of federal statutes, fuel and light, transport horses and dogs, transport mechanical, dental, medical and hospital, miscellaneous, special services Opium and Narcotic Drug Act,

printing and stationery, transport railway, rations, rents, travelling expenses, transport water), $5,603,595.75.

Mr. ROSS: Before six o'clock I had enumerated a number of cases in the vicinity of the constituency I represent in connection with which I considered there had been unnecessary interference on part of the police. Perhaps I have not stated clearly that near the islands I have mentioned there are farmers who, in some cases, are quite close to the American border, even within a stone's throw, and who, perhaps for weeks cannot reach the Canadian market. Owing to winds, ice conditions in spring and fall and road conditions in winter they are practically separated from the Canadian market. While in some cases I must admit the law has been broken, perhaps the circumstances warranted the action taken. But I do think that the infractions were so small that the police did not have the right to go in and search private houses either on slight or no suspicion, and with very little justification. It may be that there are laws which would make the action of the police legal, but if we have such laws they are causing a great deal of dissatisfaction among people who are living under conditions with which probably most of us are not acquainted. It may have been that some of the officers were inexperienced and new to their work. The time has come however when advice could be given quietly so that the officers would proceed properly. I quite admit that perhaps they should not be instructed to let infractions of the law pass; I would not stand for that. But I do think that they should not have the right to enter a private citizen's house and conduct a search with no authority other than a blanket search warrant, and to state to people who may be quite uneducated that they are operating under a proper warrant.

In about ninety per cent of the houses about which I was speaking the police found absolutely nothing, a point which to me shows that they were dealing with good, law abiding people. In another instance they were dealing with two American brothers who had been in the place in question for over twenty years, both during the father's and the son's ownerships, and who had accumulated quite a number of articles. The son who was in the house at the time of the search and who was approached quickly, inadvertently admitted that the goods belonged to him. He felt that if he said they belonged to the two Americans they would be seized and he would lose two good tourists. For that reason he was fined and the fine was collected. I am asking the minister if the officers had authority so to act and to collect fines which reached about $250. I am not going to excuse infringements of the law. I must explain however that the other cases I described were of only a very minor nature, one being that of a little schoolboy who had a flashlight worth about fifty cents, and the other being that of a boy who had a pair of overalls.

I believe the minister is sympathetic enough to know that there is dissatisfaction among these people who fear that their homes can be entered by a federal policeman, even though he does not show a proper cause. This condition is raising a great deal of dissatisfaction, and there is a misunderstanding of the conditions under which the people in question are living. As I say, they are twenty miles from Kingston, twenty-two miles from Gananoque and about fifteen or eighteen miles from the nearest store. I have enumerated all that was found in the search. I believe it is necessary only to draw the attention of the minister to the fact that the authorities must not drive the people too far. In these days we are living under peculiar conditions, and just a little bit of what might be termed autocracy among these people will produce a very great deal of dissatisfaction. As I have stated I do not condone any infraction of the law, nor do I excuse smuggling. I am quite agreeable to supporting the law in every way; if the officers know that smuggling is being carried on they should go armed with a proper search warrant. But unless they have a search warrant I say they are not justified in taking action, and the people resent very much the fact that officers can enter private homes and appear to be at perfect liberty to search as they wish. People feel that their homes are their private possessions, and that while in them they cannot be imposed upon. I am aware of the fact that there may be some who may not be in sympathy with what I say, but I know these people and the conditions under which they live, and I do know that there is dissatisfaction amongst them because of this interference for petty reasons. I think it is only necessary to bring the matter to the attention of the minister and those in charge to have a remedy provided. If the law is there, an unjust law, we should be able to amend it. If the law does work an injustice, people should be given some consideration for what has been necessarily imposed upon them by the forces of nature.

Mr. BROWN: I should like to say a word or two along the same line as that taken by the hon. member for Kingston City (Mr. Ross). Those of us who live close to the boundary line have had brought to our atten-

tion again and again cases where for some trifling offence the officers have taken action against people who might perhaps be guilty of some infraction of the law, if strictly interpreted, but who yet were innocent of any real intent to break the law, and they have in consequence been subjected to a good deal of hardship and inconvenience. Not only in the community to which the hon. member for Kingston refers, but from the head of the lakes to the Rocky mountains there is a long stretch of territory in which people live very close to the boundary, in many cases a long distance away from a custom house on either side of the boundary, and it is frequently a matter of great inconvenience to them to comply with the terms and conditions of the law. I think in offences of this kind the police not only should be allowed to exercise a great deal of discretion but should be positively instructed to exercise their discretion in petty cases.

I am not going to advocate any relaxation of the general law against smuggling. There may be and undoubtedly there are those who make a practice of bringing goods across the boundary for commercial purposes; they can be easily recognized. But since I have been here a great many cases have been brought to my attention of offences that were so petty that they were not worth considering.

I recall that at one time I was crossing the boundary from Buffalo, and when the officers came on the train they found two working girls from Toronto who had been spending the week-end in Buffalo. The officers searched their baggage and found a little bit of a dress —women's dresses are not very big these days —and this poor girl said that she had bought the dress at Eaton's the week before. She did not have the sales slip with her for the dress, and she said that the officer surely did not expect a girl would visit Buffalo and not take some of her best clothes with her. She insisted that she had bought the dress at Eaton's, but the officer would not take her word. He took the dress and went off with it, and what happened afterward I did not know. It seemed to me at the time that the offence, if indeed offence there was, was so petty that it was not worth while for the officer to pay any attention to it.

On another occasion I remember crossing the line at Windsor and an American came on the train bound for the north country on some business. He had with him a large carton of cigarettes, and the officer allowed that to pass. So we see how inequitably the law is administered at times.

A case was brought to my notice last fall of a man who was supposed to have been harbouring cattle against the law. He was perfectly innocent of any intent to break the law, and if the officer had done his duty he would have tried to prevent any action being taken, but it really looked as if he was anxious to incite the person who felt himself aggrieved to take action in order, I suppose, that a little more might be collected in fees. A word from the officer would have settled the difficulty, but action was taken and the man was fined $15 although he was not guilty of any offence whatever. In cases of that kind I think the officers should not only be allowed to exercise some discretion but should be instructed to exercise discretion in these petty cases. They should not administer the law with all the rigour that is intended for real criminals.

Mr. BEAUBIEN: May I make a protest to the minister along the same line? My county borders the states of Minnesota and Dakota, and there is a lot of bush in that district. I wish to say at the outset publicly that the officers in my district are about as fine a lot of men as you would want to find anywhere, human and experienced. I do not blame the police. I blame our laws more than anything else. In that bush district, especially during the winter time, a man has to go over to the United States to get his horses shod because he cannot get them shod on this side without going a tremendous distance. So he gets them shod on the other side of the line so that he can haul wood, and suppose he does bring back a few little commodities worth perhaps two or three dollars from the United States. I do not say that he should not have to pay duty on those goods, excise or sales tax, or whatever may be due, but I do say, whether the fault lies with the statutes or not, that the penalty imposed, particularly for a first offence of a petty nature, is too severe, and most of the people living in the district are not in a position to pay the penalty that is imposed. They are not making that kind of money, especially if they are cutting cordwood. Those who have been cutting pulpwood in that district have had a very hard time to make both ends meet. Most of them are French Canadians or Norwegians, with large families. They have been receiving a very small price for their cordwood, and there had been practically no sale of pulpwood for the last two or three years until last fall. I would ask the minister to give this matter his serious consideration. A first offender should not be penalized to the extent he is to-day for committing some petty offence. If a man makes a business of smuggling and is

caught at it two or three times the penalty should be imposed, but in these petty offences, particularly a first offence, some discretion should be used by the officers because the present penalty imposes a burden on these people. They may be bringing in two or three dollars' worth of goods without any intention at all of defrauding the Canadian treasury. I trust the minister will give this matter his consideration.

Mr. GUTHRIE: Mr. Chairman, I have listened with a good deal of interest to the representations which the hon. members for Kingston City (Mr. Ross), Lisgar (Mr. Brown) and Provencher (Mr. Beaubien) have made with regard to the particular districts which they represent in this house. These hon. members fully understand, I would gather from their remarks, that in each of the instances they have related, offences were committed against the customs or excise laws of Canada. As head of the Department of Justice for the time being and as the minister in charge of the Royal Canadian Mounted Police it would ill become me to advise any member of that force to disregard the law. I have to take the other course; I have to give instructions that the laws as they appear upon the statute books must be enforced. If there is anything unreasonable in our customs and excise laws, if there is anything unjust, if there is anything which should be altered or amended, why not bring in a bill to make the necessary alterations? As the laws stand upon our statute books I have but one duty to perform, and that is to see that they are strictly enforced. There is no discretion permitted to me or to the members of the force in this respect.

I realize the inconvenience and annoyance suffered by people as described by the hon. member for Kingston City (Mr. Ross). These people reside close to the border and probably do not think it a very serious matter to break the customs or excise laws of the country in trivial instances. For the information of the hon. member for Kingston I would say that many complaints have been made to the mounted police from business men in Brockville, Belleville and Kingston in connection with the traffic across the river. Because of those complaints, a little greater diligence has been exercised in recent months. One complaint was in connection with the smuggling of motor car radios. Upon investigation it was found that a considerable traffic was going on in these radio sets along lake Ontario and the St. Lawrence river. The former members of the preventive service who have since been transferred to the mounted police have been instructed to see that there is a strict enforcement of the customs and excise laws. These annoying search warrants, or writs of assistance, of which the hon. member for Kingston complains, have been provided for in the Customs Act for generations. They allow considerable latitude, in connection with the collecting of revenues. They give practically the right of free search of any suspected premises. I realize that in many instances considerable annoyance has been caused, particularly when no evidence of smuggling has been found. I sympathize with these people, but all I can do is to direct the attention of the Minister of National Revenue to the remarks which have been made. Personally, I cannot turn to the right or to the left; I must instruct the police to enforce the laws.

No doubt the hon. member for Lisgar has given his own views in connection with the incident he related. In all probability he knows the parties and he states that, in his opinion, no offence was committed. However, I gather from his remarks that the man was tried before a magistrate of the province of Manitoba and that a fine was imposed for some breach of the law.

Mr. BROWN: No.

Mr. GUTHRIE: I understood my hon. friend to say that he was fined $15.

Mr. BROWN: Under a misapprehension he pleaded guilty to having the cattle.

Mr. GUTHRIE: A magistrate of the province of Manitoba, over whom I have no jurisdiction, heard the case. The parties appeared before him and a plea of guilty was entered, and I assume the magistrate, in imposing the fine, performed his duty. There was a breach of the law and there was a conviction. I cannot believe that my hon. friend would expect me to ask the members of the force to close their eyes at an incident of that kind. If the mounted police hew to the line and perform their duties and endeavour honestly to carry out the laws of the country, I do not think they should be open to criticism. They should be commended. If there is anything wrong with the law, then this parliament should alter it but so long as the laws remain upon the statute book, it is the duty of the mounted police to enforce them.

Mr. ROSS: Mr. Chairman, we all admit that the minister is perfectly correct, but we contend that the use of a general warrant of that kind constitutes a misdemeanour. Why should a man who has never been under any suspicion and is known to the whole com-

munity as an honest and reliable man have his house searched simply because someone has passed up and down in a boat? Honest people who have had their houses searched and nothing has been found certainly have a grievance. If there is reason to believe that a certain house contains anything, a warrant could be gotten out.

Mr. GUTHRIE: They do not require to get a warrant; they have a writ of assistance.

Mr. ROSS: I know they have.

Mr. GUTHRIE: It is issued under the Customs Act.

Mr. ROSS: I know just what the criticism would be regarding what I am going to say. The time has long since arrived when people should have some defence against the law. There are too many laws which permit entry into a man's home for the purpose of collecting a tax.

The minister mentioned automobile radios. Police officers went in to collect this tax and valued these sets at $60 each. This set may have been smuggled, but they should have dealt with that matter and not gone back five or six times to close up the man's shop and nearly put him out of business. He had been convicted and had paid a fine and he should have been left alone. This radio set should not have been valued at $60. All along that front you can get one for $23 or $24. These people have every reason to kick against the law. I do not hold the minister responsible but I contend that the home of a man who is above reproach should not be open to inspection at any time the police might come along. All I am asking is that discretion should be used in these cases.

Evasions of the law should be punished, but it is going beyond that when a boy is taxed $28 because of a flashlight. In another case a boy was taxed $28 or $29 for an old pair of overalls. As I said at the beginning, I am not attempting to condone law breaking but I submit that in these cases the law has been too severe. A man who is above reproach in his community should not have his house entered at the whim of the police. If the minister were in my place I know that he would make a similar complaint. I am simply doing my duty and appealing on behalf of a large number of people who feel that an injustice has been done. I do not defend a man who has brought in a radio illegally but, as an hon. member across the way has said, I do think that the penalty imposed in certain cases has been too severe. I submit that a man above reproach should not suffer an injustice such as I have described. We all have admiration for British fair play, and we resent anything of this sort. Any man in this house would resent it if a policeman came along, without suspicion, and said, "I am going to search your house." That is all I complain of, and I hope that as a result of bringing the matter forward a little more reason will be exercised. I am quite in accord with what the minister said, that he cannot stand up and say, "Don't do that." I do say however that some exposure, the bringing forward of what is an injustice to some people, will probably result in a rearrangement and some further consideration so that there will be no injustice against good citizens.

Mr. GUTHRIE: The penalties are provided by a statute passed by this house, and I have no doubt that in the case cited by my hon. friend (Mr. Ross) the magistrate took all the circumstances into consideration. I am inclined to think he imposed the minimum penalty.

Mr. ROSS: These matters never came before the magistrate.

Mr. GUTHRIE: They might have come before him if the person accused had so desired.

Mr. ROSS: The police simply came in and collected the fees.

Mr. GUTHRIE: There is power in the officer himself to assess the fine, but that does not prevent the man from going to the magistrate to have it assessed if he desired to do so. I do think that the fines in trivial cases are rather severe under the Customs Act, and I said so last session. There has been a notable modification in the excise penalties. Now, both these acts will be before the house this year, and if hon. gentlemen feel interested in the subject why do they not move amendments when the acts are under consideration, in respect of penalties or of writs of assistance? So long however as these clauses remain in the act the penalties imposed by that act must be paid.

Mr. GRAY: Before recess my right hon. leader raised a question with the minister as to this vote, which amounts to $5,603,000 odd. It was pointed out that, if not last year, certainly in 1930 this vote was broken up—

Mr. GUTHRIE: Into two pieces.

Mr. GRAY: Not only two pieces but several pieces. Before the minister gives the information he has in connection with this item, I would point out to him that this item as it stands, which the minister said before

recess was constituted exactly in the same way last year, though that does not make it any better, is simply a conglomeration of powers and expenditures included in one bracket, as I shall show. Item 177, the item under discussion, reads:

Pay of forces and allowances: (including salaries of two constables, Ellesmere island district, at $2.25 per diem, to assure department against loss through death, arms and ammunition, barrack buildings, repairs—

And so on. As I say, this is the greatest conglomeration of powers and expenditures that one can possibly find embraced within a single pair of brackets. It is true that in 1930 this vote amounted to only $3,000,000 odd, and I grant that since that time we have taken over the preventive service, certain provincial forces, and that warrants no doubt the vote asked for to-night. But in 1930 the item was split up into several subdivisions. We have: Pay of force, including salaries of two constables, Ellesmere island district, at $2.25 per diem, to ensure department against loss through death, $1,279,772.75. Maintenance, including billeting, travelling expenses, forage, fuel and light, clothing, repairs and renewals, etc., $1,625,452.50. To compensate members of the Royal Canadian Mounted Police for injuries received whilst in the performance of duty, $10,000. To assist in enforcement of federal statutes—Expenditure chargeable to this vote shall be in connection with such federal police duties as may be defined by the governor in council upon recommendation of the Minister of Justice—$75,000. To provide for special services in connection with the enforcement of the Opium and Narcotic Drug Act, $50,000. To compensate William Pinsky for medical attendance on his child, who was fatally wounded by police dogs, at Fort Resolution, $500.

That last item was no doubt for that year alone, but in any event we find that this item in 1930 was split up into five subdivisions. What I think the leader of the opposition objects to, as we all do, is that we have built up a huge machine with very wide powers. I have protested in the past, not perhaps in the house but in public, against the building up of this huge police force with such powers as we gave them last year under the Migratory Birds Act for example, by which they became ex officio game officers, with powers under the Indian Act whereby they act as what I might term truant officers, and with other powers. We have so encumbered this force with positions, with offices and with powers that, as the hon. member for Kingston has rightly said, we have brought the Royal Canadian Mounted Police force into disrepute—a force which we of the older generation were taught in our schools to regard as the greatest institution in the dominion. That institution, I say, has been brought into disrepute by reason of the fact that this government, under the minister, or at any rate with his consent, has allowed other departments to delegate to the force duties that should be discharged by themselves. The vote carries a total of $5,600,000 odd, and we are putting into the hands of the superintendent of the Royal Canadian Mounted Police the power to distribute this vast sum of money as he sees fit. Formerly the amount allotted to the enforcement of federal statutes was $75,000, a sum which apparently was considered sufficient at that time. Now we are leaving in the hands of one man the power to juggle the figures as he sees fit. I think that the minister should reconsider the item. I protested at the time against the added powers delegated to the force and I submit that the minister should now give the committee an assurance that he will recast this vote, not merely from his deputy's books, but with a view to ensuring that one official will not be simply handed a blank cheque to dispose of as he thinks fit. I am asking him to reconstruct the vote so that when we ask him next year how much has been spent in the enforcement of federal statutes he will be able to tell us, or how much has been devoted to this or that specific purpose, and so on down the line. In short, I protest giving a blank cheque to the Royal Canadian Mounted Police in the way here proposed.

Mr. COWAN (Long Lake): Disrepute nothing. The hon. member for West Lambton (Mr. Gray) says that the Royal Canadian Mounted Police has fallen into disrepute. This is the first time I have heard such language used in regard to that force. I have lived for fifty years in the west right alongside them at their headquarters.

Mr. GRAY: The hon. member did not hear what his colleague the hon. member for Kingston (Mr. Ross) said about them.

Mr. COWAN (Long Lake): I do not care where he comes from. I heard what my hon. friend said and I want to tell him that the Royal Canadian Mounted Police does not require him or me or anybody else to come to their defence. They have a record of fifty years and it stands good. It is the best record of any police force in the world; I defy the hon. gentleman to go throughout the world and find a police force that has a record equal to that of the Royal Canadian Mounted

Police. He says that they should enforce the law with discretion. I have never known them to do anything else. I have been many a time in their detachments; I have associated with them in many ways; I have known them as intimately as anyone can and when any hon. member says that they have fallen into disrepute, I want to tell him right now that he and I are at loggerheads.

Mr. GRAY: We always have been.

Mr. COWAN (Long Lake): My hon. friend talks about the boundary. What are we going to do with it? Are we to let United States bootleggers and everybody else in, to commit whatever depredations they please? They did not do it in days gone by and they are not going to do it now.

Mr. GRAY: Will my hon. friend pardon me?

Mr. COWAN (Long Lake): Yes, he needs pardon, a thousand of them.

Mr. GRAY: While I live on the boundary, I never even mentioned it. The hon. member is again confusing the speech of his colleague the hon. member for Kingston City with mine. Why do they not get together?

Mr. COWAN (Long Lake): My hon. friend was talking about boundaries and everything else.

Mr. ROSS: May I draw attention to the fact that I never mentioned the Royal Canadian Mounted Police.

Mr. COWAN (Long Lake): I never said that the hon. member did. My hon. friend across the floor did so. Let me give an illustration. On one occasion I was going home on a street car in the city of Regina and I was hanging on to the strap as I had to do. A man came up beside me and said, "Hello Doc." I looked at him; I did not know him from Adam. I said, "I have not seen you for a long time." I was fishing. He said, "I have just got home." I said, "Where have you been?" He said, "I have been home for three years." I said, "Where is your home?" He said, "It is in the States. Thank God, I am back in Canada. This is the country to live in, as I tell the people down there every day. I tell them that if they want good government, law enforcement, they have to go to Canada to get it."

Mr. VENIOT: That was in 1929.

Mr. COWAN (Long Lake): It has always been the case. For a time in the west we had the provincial police, but now the Royal Canadian Mounted Police are back again and there cannot be found a finer body of men anywhere; they are the very best. Hon. members do not need to be afraid of the mounted police not enforcing the law properly. If there is anything wrong, the law may be wrong, but that is not their fault; that is the fault of my hon. friend and myself. Let us change the law, but so far as the administration of it is concerned, let us leave it to the Royal Canadian Mounted Police and it will be properly carried out.

Mr. GRAY: Before I ask the minister to reply to what I have suggested, may I simply say to the hon. member for Long Lake (Mr. Cowan) that I had and still have the highest regard for the Royal Northwest Mounted Police and if this government or whichever one it was had left the Royal Northwest Mounted Police as such, we would not be debating any such question in this chamber. I hesitate to recall to the hon. gentleman's attention that there is not now any Royal Northwest Mounted Police. I am sorry that that force has been done away with, having been merged in the Royal Canadian Mounted Police, the estimate for which is now before us and that this force now includes preventive officers, Migratory Birds Act officers and Indian truant officers. That is my complaint, and it is not the subject matter which the hon. member has just mentioned. I am sorry if he does not know the Royal Northwest Mounted Police no longer exists. If he does not, then it is time he consulted the minister whose estimates are now before us.

Mr. COWAN (Long Lake): Why did the hon. member say that the force was in disrepute?

Mr. GRAY: I am merely discussing the item that is now before the committee, not what may have happened in the past.

Mr. McLURE: What is the difference between the two forces?

Mr. GRAY: Simply that there is no Royal Northwest Mounted Police force.

Mr. McLURE: What is the difference between the new force and the old?

Mr. HOWDEN: There is a very big difference.

Mr. McLURE: What is it?

Mr. HOWDEN: The hon. member need only consider the men to whom we were accustomed, the big policemen we had in western Canada. They are now a thing of the past.

Mr. GRAY: I think the minister understood the point I tried to make as regards the splitting up of the vote so that we might have the details. He has always been fair in connection with the matter. Perhaps I am wrong and if I am I shall be glad to be convinced. I have expressed my view and I would appreciate hearing his.

Mr. GUTHRIE: I have no objection to giving the details for which my hon. friend has asked, but I emphatically disagree with him when he says that the Royal Canadian Mounted Police have fallen into disrepute. It is a more efficient force to-day than it ever was in the history of the country. It is a better recruited force. The same physical standards are maintained now as have been in effect since the force was first established. There has been no change in that respect. As the years go by, it will no doubt increase in efficiency; experience leads to efficiency in those respects, but in every sense it is a better force to-day than ever it was before. It remains the finest police force in the world. The fact that some new duties have been cast upon it, not with the idea merely of increasing its duties but with the idea of saving a great deal of money to the people of Canada—

Mr. GRAY: That is a matter of opinion.

Mr. GUTHRIE: That is the reason the migratory birds convention and the customs preventive service were placed under the mounted police. The arrangements for this last transfer were made by the former government, as the Minister of National Revenue would state were he in his seat now.

The vote itself is in the same form this year as it was last, but the leader of the opposition wanted some details. In former years there were two or three subdivisions of the vote. I may state roughly it is estimated that the mounted police force costs about $2,000 a man or a little more, but the whole of this vote is not lost to the treasury of Canada. About $1,500,000, or perhaps a little better, comes back into the treasury, not into the hands of the department or of the mounted police force, but into the consolidated revenue fund. So the net cost would be in the neighbourhood of $4,000,000 and not the $5,600,000 which we ask for in the estimates.

The largest item is that of pay and allowances, which was set out as a separate item in the year referred to by the hon. member for West Lambton (Mr. Gray) the amount for pay and allowances this year is $3,549,159.49. The next item is that of maintenance, which amounts to $2,054,436.26. Those two items make up the whole amount of the appropriation for which we ask. As regards pay and allowances, I suppose I do not need to describe this item in greater detail; it represents just what it says, the pay of the force and allowances to the force. The maintenance includes a great number of miscellaneous items. The main items I will give, in round figures:

Rentals throughout Canada	$ 201,000
Rations for the force	110,000
Uniforms and equipment	227,000
Transport	818,000

The amount for transport is made up of four items, as follows:

Water transport, which includes the operation of the marine, that is the customs service	$ 315,000
Railway transport	175,000
Mechanical transport	275,000
Horses and dog transport	53,000
Total	$ 818,000

Mechanical transport includes the cost of motor cars; we have about 400 cars and trucks. Formerly this was a mounted force, but it is not so to-day in the former sense. In the early days they had 600 or 700 horses, but now I think there are just 240 horses. Experience has demonstrated that horses are not fast enough for modern police work. The modern criminal, the hold-up man, is equipped with a fast motor car, and if he is to be overtaken and arrested the policeman must be equipped with a car capable of equal speed. Therefore in trucks and cars we have about 400 all told. These cars average about three years in service. After they have gone from 35,000 to 45,000 miles and break down we turn them in and get an allowance on them on a new car. Of course the cost prices of the new cars are standard prices; the competition is as to who will give the largest allowance on the old cars.

The other items are:

Hospitalization	$ 60,000
Civil service salaries	160,000
Headquarters civil service	32,000
Criminal investigation department	61,000
Printing and stationery	100,000

We have a considerable staff of civil servants throughout the dominion. Then in addition there is a long list of minor items which you might call sundries or contingencies.

After submitting the matter to the treasury board and after consultation with the comptroller of the treasury it was decided to put this whole vote in one item. It was formerly in one item, but it was subdivided into five

sections as stated by my hon. friend. One of those items, that for compassionate allowances, will not appear in the future because the amendment to the act passed last week will provide for that. The Narcotic Drug Act is now under the heading of criminal investigation, amounting to $61,000, formerly $75,000.

Mr. GRAY: A separate vote?

Mr. GUTHRIE: No, it is included in this item; it is all one vote. The Narcotic Drug Act vote is wiped out altogether and is now under the general vote for maintenance; there is no special allocation for the drug act enforcement.

Mr. STEWART (Edmonton): This is but another example of the usurpation of power by this government, although perhaps this is the most aggravated case. It is no use for the minister to tell us that this one vote contains all those items. I am disturbed when he tells us that the comptroller of the treasury, in consultation, I presume with the commissioner of police and himself, has agreed to a sum of $5,615,000 being lumped in one vote. Parliament does not know of and can have no control over the disposition of those moneys. The minister tells us that certain allocations are made; that is true as far as departmental allocation goes, but if there is a deficit on any one of these allocations then it is very convenient for the minister or his commissioner to take money from some other item; parliament has no control. The hon. minister knows perfectly well the reason these votes were subdivided; it was that parliament could have control over the particular vote. Under the former administration there was no possibility of taking a sum from another vote and using it for any vote that was short. But here the government and the commissioner may use their discretion in regard to the whole $5,615,000; they may switch these votes in any way they like.

Mr. GUTHRIE: Oh, no.

Mr. STEWART (Edmonton): Perhaps the comptroller of the treasury has something to do about it, but parliament has nothing to do with it, and formerly parliament did have that control.

Mr. GRAY: An awful difference in view!

Mr. STEWART (Edmonton): I should say there is. This is not the only instance, but it is the most aggravating one. It is going on in practically every department of the government. Take the Northwest Territories vote, or take the one with which I am most familiar, the Mines Department; they have all been lumped since this government came into office. For the purpose of getting the estimates through the house I will admit it is a good system as far as the government is concerned, but a bad one from the point of view of parliamentary control. When parliament passes them item by item the government as the servant of parliament cannot spend more than the amount allocated under each item, but when the whole sum is lumped the department has a free hand, subject only to the comptroller of the treasury. I have not examined that act very carefully, but I wonder if the comptroller of the treasury will not allow the commissioner and the minister to spend this $5,615,000 for the various items set out without reference at all to whether or not they are keeping within the items given to parliament as making up the amount. If they are voted as separate items, then neither the minister nor any one else can spend any more than the amount allocated unless they secure a warrant for the purpose, which they have to have voted when parliament is convened. The complaint I make is that in all these votes as they have been lumped during the three years this government has been in office, control over the expenditure of public moneys is taken away from parliament. My complaint is not about the administration of the mounted police force; I do not know anything about it; I presume it is being efficiently managed. But not only in this particular vote but in half a dozen other votes the same thing has been done. In the Indian department you see nothing allocated for the maritime provinces, for Ontario, for Quebec—no; it is all lumped in one sum, and the minister and the department can spend that sum without reference to the allocation that formerly existed under specific votes. The government takes a much wider power than parliament ever intended the minister to have. I register now my protest against this system that is gradually taking from parliament the power to control expenditures by votes in the House of Commons.

Mr. GUTHRIE: I can say only this, that the system has been in vogue for a long time, even under the government of which the hon. member formed a part.

Mr. STEWART (Edmonton): Not at all. Let us for example, consider the administration of the Narcotic Drug Act. Does the minister mean to tell me that that was in this vote?

Mr. GUTHRIE: I shall point out a few.

Mr. STEWART (Edmonton): Take the administration of the Customs Act: Does my hon. friend mean to say it was lumped in this sum? All these services have been grouped under this one vote.

Mr. GUTHRIE: And that was the way the railway estimates went through this house for seven or eight years under the government of which my hon. friend was a member. That is precisely the way the aviation vote always went through. That is the way it went through last year, and the way it passed this committee only a few nights ago.

Mr. STEWART (Edmonton): I did not say it did not go through in that way.

Mr. GUTHRIE: I shall read the vote appearing in this year's estimates under the heading "aviation":

Royal Canadian Air Force—expenses in connection with the general maintenance and training of the permanent and non-permanent active air force, and provision of facilities therefor, $1,805,000.

Then, there is a vote of $187,000 for civil aviation.

Mr. STEWART (Edmonton): Yes, I understand that.

Mr. GUTHRIE: That is the fact.

Mr. VENIOT: It was divided in 1933.

Mr. GUTHRIE: I am reading from the estimates which passed this committee only a few days ago.

Mr. VENIOT: In the estimates for the fiscal year 1933-34 the item was divided into two sums of $3,549,159.49 and $2,054,436.26.

Mr. GUTHRIE: Civil aviation in one and military in the other.

Mr. VENIOT: I am talking about the Royal Canadian Mounted Police.

Mr. GUTHRIE: Yes, I understand that.

Mr. VENIOT: It is now all lumped in one.

Mr. GUTHRIE: And other departments were treated in the same way. The item for railway expenditures as presented this year and last contains only a single vote. Item 253 in this year's estimates provides for a vote of $2,400,000, and no details are given. That is the principle upon which these estimates have been prepared.

Mr. GRAY: Will the estimates which the minister has given with respect to the various details, namely fuel and light, air services and the other services he has outlined, be maintained, and will no vote or any part of it be transferred to another department? Will the minister give that undertaking to the house?

Mr. GUTHRIE: Yes, I give that undertaking as far as I am able to do so. These figures are all appropriated, have all been examined by the treasury board, and been included in one item.

Mr. STEWART (Edmonton): But that is not my complaint. The minister is too old a parliamentarian not to know that he has full authority over the $5,000,000.

Mr. GUTHRIE: I have given the undertaking, and if I am still in office I shall carry it out.

Mr. STEWART (Edmonton): I am not questioning the minister's good faith, but I am saying to him that votes which formerly were under separate headings and voted for specific purposes are now lumped in one sum. I am not saying that this is the only example. We could turn to the Department of Indian Affairs and find items in one lump sum. I am merely pointing out to the minister and to the committee that there has been a continual usurpation of the powers of parliament, and a tendency to give to the minister the right to spend willy nilly money which formerly had been allocated to separate votes which could not be exceeded. That is my complaint.

Mr. BRADETTE: Under this item I should like to ask three questions. A few moments ago the minister spoke about the high standard of recruited men. I should like to know how recruits are chosen, because in the eight years I have attended parliamentary sessions not a single young man from my section of the country has been able to get into the Royal Canadian Mounted Police, although there have been many applications. I know that at the present time when there are so many men out of employment it would be a difficult matter for a new recruit to find his way into that wonderful police force, but I should like to learn from the minister as to what recruits are chosen, or what their qualifications must be. I do not know the exact number of police on the force, but there must be hundreds of them, and if appointments were divided among the 245 constituencies some young men would be chosen from every section of the country. I believe the applicants from my section are typical of our fine young Canadianism, and I should like the minister to enlighten me on this subject.

The second question I wish to ask is this: Is it true, as is currently stated in northern Ontario, that there is no direct communication between the headquarters of the Royal Canadian Mounted Police at Ottawa and the officers of that body in the arctic zone, and that the only direct communication is through American channels? I pointed out only a few days ago to the acting Minister of Fisheries that if such an anomaly existed it should be remedied at once.

In the third place, I should like to compliment the government for their innovation of two years ago when they gave to the guards around the parliament buildings the big fur coats to be used during the winter months. I believe those coats are made from buffalo pelts, and I should like the minister to tell the committee if the supply is to be extended to all members of the force. I repeat that it was a worthy act. To have those men standing throughout cold nights in the winter months, practically freezing to death, was most unfair, and I should be in favour of issuing the coats to every member of the force.

Mr. GUTHRIE: In regard to the last point taken may I say that we are endeavouring to supply all members with these fur coats made from Canadian buffalo hides. I believe in a very short time we will have accomplished the full issue.

In regard to the question about recruiting, may I say that the force is at the present time a trifle over-recruited. There is a wastage in all forces of this kind, and every few months some vacancies occur. The allotment throughout Canada is made by provinces, having regard to the number of men operating in each province. We try to keep our proportions constant, and it is quite possible that when the applicants to which the hon. member referred filed their applications there were no vacancies in the Ontario contingent. When application is made a very critical examination, as to natural intelligence, education and physical development, is given. Any man who passes the examination is then placed on the waiting list, and as vacancies occur they are filled from that list. I may tell my hon. friend that I do not myself see the application lists; that is a matter with which I am not in any way personally concerned. When, on occasions, applications come to me from hon. members, I refer them at once to the commissioner who, in turn, with his subordinates, deals with them without reference to or consultation with me in any respect. I do not know about the applicants to which the hon. member referred, but if he will let me have their names I shall make inquiries and make a report as to how they stand.

As to communications, may I say that we have direct communication by radio through Canada with all the important Arctic stations, but in two or three of the minor and more remote stations we are able to obtain communications only through American stations in Alaska. That condition we hope to remedy some time in the near future. I may say however that we have direct communication now with all important points.

Mr. VENIOT: What is the practice in renting quarters for the mounted police? For instance, let us consider the town of Bathurst in which there is a property under rental for the police. What is the practice and how is it worked out?

Mr. GUTHRIE: We have a great many rented quarters throughout Canada. The practice is to look over the particular locality where we desire quarters and to ask the district officer commanding in the neighbourhood to make inquiries as to suitable quarters and as to rentals. When he has done so he makes a report to the head in that particular province, and that report comes forward to the commissioner at Ottawa. After an inquiry as full as we can make it, we select the quarters.

Mr. VENIOT: The reason I ask the question is this. The police headquarters in Gloucester county are in the town of Bathurst. They were very suitable quarters close to the business centre of the town and to the post office. Considerable expense was incurred on those quarters, I do not know whether by the proprietor of the property or by the police department. The property was rented from one named Lee Palmer, and the police continued to occupy those quarters during a period of a year or perhaps two. But all at once word came for a change in the location and the police were moved to almost a back part of the town. It has caused considerable talk and all kinds of rumours as to why the change was made. I would like to have the reason why the property rented from one Lee Palmer was discontinued as police headquarters in favour of the property now occupied. The minister may not be in a position to give that information offhand, but if he will have it looked up I shall be glad to get it.

Mr. GUTHRIE: I shall see that it is looked up as speedily as possible, and I will write my hon. friend giving him the information.

Mr. HOWDEN: Although I quite appreciate what the minister has said, I was rather surprised when he stated a few moments ago that the physical standards of the mounted police had not been changed since the force was first established. Probably no force in the entire service of His Majesty the King enjoyed the reputation of the northwest mounted police. When the queen's jubilee was held in 1897 the finest body of men that attended that celebration from any part of the empire was the detachment from the Royal Northwest Mounted Police, and at any gathering of British military units since the mounted police have maintained the same high place. It requires no praise from me to uphold their fame and their reputation for efficiency in this Canadian country. They established a record in western Canada before this country was opened up which certainly has never been surpassed at any time or place. But what I rose particularly to say, and it is not by way of criticism at all, is that when I was a much younger man than I am now I spent a number of years on the western prairies and frequently came in contact with these men, and the surprise that I got to-night was to hear the minister say that the physical standards have not been changed for admission to the force, because at that time the force was composed of big men. I do not ever remember seeing in those days a man in the northwest mounted police who was not able to look down on the top of my head without any difficulty at all. They were splendidly built, manly fellows. I have met many of them in western Canada whose parents had sent them out all the way from India to join the force just for the excellent training they would receive, but I can assure you, Mr. Chairman, there are a great many men in the force to-day who are not tall enough to look down on the top of my head.

Mr. GUTHRIE: Five feet eight inches is the minimum.

Mr. HOWDEN: That lets me out, then. I do not propose to criticize the present standard at all because I believe it is recognized in police circles the world over that the smaller man is the more active and more efficient.

Mr. STEWART (Leeds): Hear, hear.

Some hon. MEMBERS: Oh, oh.

Mr. HOWDEN: I merely wish to make that observation. While I am on my feet I should like to say that it has been stated a number of times by the hon. member for Kingston City (Mr. Ross) that the members of the mounted police are authorized to collect penalties for infractions of the law.

Mr. GUTHRIE: Just the customs law.

Mr. HOWDEN: It may be that in the wisdom of the department that is the correct thing to do, but it seems to me that if there are not actual openings for abuses in that regard, certainly the people who are guilty of the infractions are not getting the fairest show in the world. If they were brought before a magistrate all the circumstances of the case would be considered and the fine adjusted to fit the crime, so to speak; but if there is a specified penalty for every infraction of the customs law I presume the mounted police must exact it, and, as has been pointed out by the hon. member for Kingston to-night, there are a great many cases in which the penalty fixed is entirely too severe.

Mr. ROSS: There is not a specified fine, but the officer is supposed to ascertain the value of the smuggled article, and as I pointed out in the case of an automobile radio that is not by any means the end of it because in that case they took three times the value of the article. There is no specified fine, but there is a principle to be observed. The officer I suppose has to go back to the customs and get the value of the article. That is the principle on which they told me they had acted. I may be wrong and if so I should like to be corrected.

Mr. VENIOT: They must have applied the dump.

Mr. ROSS: Yes, and after they have ascertained the value, there is a fine of twice that amount.

Mr. HOWDEN: I should like the minister to state whether he thinks it is a reasonable and proper state of affairs that these constables should be permitted to collect the fine.

Mr. GUTHRIE: I do not want to express any opinion in regard to the Customs Act, the administration of which is not in my department. If I were to give my own opinion I think the penalties under the Customs and Excise Acts are too severe; but they are there, and until they are altered I do not know that I can do anything but enforce them.

Mr. STEWART (Edmonton): I want to protest again, as I have done on former occasions, against the constable who lays the complaint having the right to impose the fine.

That did prevail in the old territorial days, but now that magistrates are much more conveniently located and easy of access it does seem to me that the constable who makes the arrest and files the complaint should not have the right to impose the fine.

Mr. GUTHRIE: I just want to explain that. It is an erroneous impression that the constable who makes the arrest can try the case or impose the fine. He cannot do it in any part of the country. Under the Customs Act the man who makes a seizure has the power to impose a penalty. I agree with what the hon. member for West Edmonton (Mr. Stewart) has said with regard to a constable making an arrest and then imposing a penalty. I will go further and say that I have always been of the opinion that the magistrate who issues an information should not try the case concerned. He hears one side of the story when he issues the information and his mind is apt to be made up before he tries the case. In many remote districts this would not be possible, but in general it should be the practice followed.

Mr. VENIOT: I was in the revenue department for a number of years and on many occasions I have made use of the writ of assistance. In my opinion it is very seldom that an officer using this writ will do what is not right. There are cases where this happens, but such cases are the exception. An officer, like every other human being, is liable to err in judgment, but my experience has been that the responsiblity for any injustice done, especially in connection with the fines imposed, lies upon the shoulders of the magistrates. We sometimes see a magistrate imposing different fines for the same offence. He will try a case one day and impose a fine of $200; a similar case will come up the next day and a fine of only $100 will be imposed. How is this done? The magistrate consents to the charge being brought under another section of the act where a lesser fine can be imposed. In that way favouritism is shown and the police officer is blamed instead of the magistrate.

I agree with the minister that a magistrate who takes a complaint should not try the case. When he receives the case his mind is liable to be made up from the story given by the complainant. When he tries the case the next morning he may hear a different story but his mind has been set by the story he heard the day before. The same magistrate should not try the case except in special instances when there should be two magistrates.

[Mr. C. A. Stewart

Mr. CANTLEY: Reference has been made by hon. members on both sides to the high standard of our mounted police force, but there seems to be some change of sentiment in this regard. I suggest to the minister that the hiring out of large numbers of the force to different provinces has not been conducive to the maintenance of the high standard of this organization. This force has rightly had a high reputation in the northwest. The minister will remember the matter in connection with which we had a conversation a few days ago. When this force was formed it was never the intention that it should be hired out to provincial governments and I am convinced that such procedure is not in the best interests of the force.

Item agreed to.

Miscellaneous expenditure, including remuneration to members of the mounted police force (to be expended under order in council, and not to exceed $1,450 for period from 1st October, 1933 to 31st March, 1935) for assistance in the remission service of the Department of Justice, $15,000.

Mr. STEWART (Edmonton): Has the minister come to any conclusion with respect to pension allowances to members of the mounted police who are in the civil service?

Mr. GUTHRIE: A report has been made to council and a decision is pending. I understand there are more involved than the number mentioned by the hon. member, although it is not a large number.

Item agreed to.

Yukon territory—miscellaneous expenditure, including salaries and allowances of court officers, et cetera, $9,500.

Mr. STEWART (Edmonton): Is there a judge located in the Yukon?

Mr. GUTHRIE: Yes; the same judge has been there for twenty years.

Mr. STEWART (Edmonton): I thought he was retired.

Item agreed to.

NATIONAL HEALTH

The administration of the acts, respecting food and drugs, opium and narcotic drugs and proprietary or patent medicines, including the laboratory of hygiene, $130,000.

Public health engineering, $15,880.

Marine hospitals, including burial expenses of destitute deceased mariners and grants to institutions assisting sailors, $163,500.

The administration of the acts respecting quarantine and leprosy, $150,000.

Immigration medical service, $126,920—Total, $10,334,500.

Mr. TOTZKE: In connection with the first item in this vote, which includes the administration of the Opium and Narcotic Drug Act, has the decrease anything to do with the administration of that law?

Mr. MacLAREN: It is based on the expenditure of last year. It is found that $130,000 is sufficient for the purpose of administering the acts under the item. The expenditure last year was $126,818.42.

Mr. TOTZKE: What is the position in connection with the administration of the Opium and Narcotic Drug Act? Is any headway being made in the mitigation of the opium and narcotic evil?

Mr. MacLAREN: The provisions of the act, as regards the suppression of the habit, are being carefully followed out with the assistance of the mounted police. There were 340 prosecutions last year for various infractions. I am asked whether there is any amelioration. I do not think it is very pronounced. There is a certain improvement, but not very considerable, though the indications are rather favourable. There is still much room for improvement in this respect.

Mr. TOTZKE: Have many actions been taken against the legitimate trade, pharmacists and medical men, in connection with the opium and narcotic drug traffic?

Mr. MacLAREN: Last year one medical man was prosecuted. There are a number of instances in which they are warned and counselled, so that the one prosecution does not indicate the full activity; but in view of the peculiar conditions that exist they proceed with discretion, and the medical men who are on the doubtful list are carefully observed and supervised. As regards the pharmacists, there were no prosecutions during the year.

An hon. MEMBER: They are all good.

Mr. MacLAREN: No, I do not say that exactly, but they are supervised. Their books are inspected at regular intervals to see that they conform to the law and that their sales are recorded in the proper way.

Mr. REID: Has the minister considered what took place in British Columbia last year in regard to the growing of poppies? Out there the growing of poppies has become rather extensive and there were some prosecutions of Hindus and others who had been taking the heads of poppies, drying them and using them in some form or other. It is of particular interest to us in that province to know what the attitude of the government is, whether the department has examined the poppy heads to ascertain how much opium they contain and, in view of the fact that they do contain a little opium, whether restrictions will be placed on the growing of poppies.

Mr. MacLAREN: The matter is receiving consideration. I cannot make a definite statement at the moment but my memory is that the question of suppressing the cultivation of the poppy in this country is now being considered.

Mr. HOWDEN: Speaking of opium and narcotic drugs, it used to be the practice of the authorities in Canada a few years ago—and I know what I am talking about—to send around certain men, whether you call them spotters or stool pigeons or by any other name, to the medical men. Not infrequently it happened that a hard looking individual would turn up at the office of a medical man—an individual who very evidently was an opium addict, who very evidently was suffering and badly in need of relief; and with a great deal of persuasion, occasionally the medical man would be prevailed upon to give him, not a prescription for a narcotic, but some temporary relief. Fortunately I was never one of those medical men, and I am not speaking for myself, but I thought at the time that the practice was contemptible, because shortly afterwards the medical man concerned would be taken to task if not actually fined for what he had done. I rise merely to express the hope that it is no longer the practice of the department to carry on that form of campaign. I should like the minister to make a statement.

Mr. MacLAREN: The practice of using these men as decoys—

Mr. HOWDEN: Decoys, precisely.

Mr. MacLAREN: —is not made use of by the department. I believe it was formerly, although I have no personal knowledge.

Mr. HOWDEN: It certainly was.

Mr. MacLAREN: At any rate, others in connection with the department before my time, as well as myself, have disapproved of instigating infractions of the law and then proceeding to punish the persons concerned. That procedure does not exist to-day.

Mr. HOWDEN: In a current issue of a magazine called Health, I read in an article these two short paragraphs:

> Those interested in the health movement in Canada have felt that it is most important that the principle of dominion leadership in health matters be maintained if we are to ultimately develop a coordinated health

program for the dominion and that the most important unit in such a program should be the dominion Department of Health. Any weakening of this department would appear to be a serious matter.

Therefore the announcement of a few weeks ago that the division of child welfare which had rendered admirable service for more than ten years under the distinguished direction of Doctor Helen MacMurchy had been dissolved and its functions turned over to one of the voluntary associations, came as a distinct shock to everyone interested in the progress of public health in Canada.

Evidently the division of child welfare, which most certainly had been doing excellent work in this country and for the federal government, has been discontinued. Might I inquire of the minister what led up to the discontinuance of this really excellent branch? It is a well known fact that Doctor MacMurchy was one of the most able physicians in the entire dominion.

Mr. MacLAREN: The work as carried on by the division of child welfare within the department has been transferred to an organization called the Canadian Council on Child and Family Welfare.

Mr. HOWDEN: That is a voluntary organization, is it not?

Mr. MacLAREN: Yes. Far from there having come to my notice anything in the way of criticism, a very large number of letters have been sent to me personally commending and approving this change. It has been remarkable how from all parts of the country there have been expressions of approval of the change. All the former objectives of the division of child welfare are now being carried out and, I believe, more effectively and efficiently by the organization to which this work has been transferred. As the change has occurred within only a comparatively few months, one is not justified in speaking of actual results and experience on the basis of a few months' operation. On the other hand, so far as the work has gone under the new organization, the result is promising. If the change does not prove a success, it can be altered again, but the change was not made on the basis of there being any doubt of its being a success. There is, however, still the alternative that should the new method not be satisfactory, the former procedure can easily be restored, but that is not what I am looking for as the result. The name of the secretary of this voluntary organization under which the work is now being carried on is, I think, familiar to all hon. members, especially to those who are interested in social welfare, Miss Charlotte Whitton, who is very active and efficient and who is familiar with conditions throughout the country. In the arrangement which we have made with this organization there is a special provision that its committee shall have on its board two medical men in Ottawa, one who is a specialist in obstetrics, and the other a specialist in connection with children's ailments and diseases. They are there as advisers to the council. In addition, Doctor Heagerty, director of the medical health branch of this department, is also a member of the council and in cases where advice is required or sought, it is given by this committee of an obstetrician, a pediatrician and the head of our own health service who has the diploma of public health. One advantage of the change is that those who are engaged in the work come into closer contact with the people than was the case with our division of child welfare previously. The Canadian Council on Child and Family Welfare has branches throughout the country and therefore is able to come into intimate contact with all centres. Nothing but good will come from its work and the principles of social welfare and health and the care of maternity cases and children will be brought to the people more widely and in a more intimate way than has been the case in the past.

As regards publications, the Department of Health issued from time to time suitable pamphlets for the instruction of mothers and families. This is not being discontinued, but it will continue to be carried on by the organization which I have mentioned and there will be the advantage of the articles being reviewed and approved by the specialists of whom I have spoken and who are now engaged by the year for their advice and instruction.

Mr. HOWDEN: Is the government making a grant to this Canadian Council on Child and Family Welfare?

Mr. MacLAREN: The previous grant was $10,000; with the ten per cent cut it may have been $9,000. We are now paying about $12,600 to the council. There is considerably less expense under the change than there was previously.

Mr. HOWDEN: Is this the only voluntary association of this type that is receiving a grant from the government?

Mr. MacLAREN: I see that last year we gave this organization, the Canadian Council on Child and Family Welfare, $9,000; previously it had been $10,000. Then there is a grant to the Canadian National Committee for Mental Hygiene.

Mr. HOWDEN: This year?

Mr. MacLAREN: This year. These are the most akin. There is a grant of $18,000 to the Canadian National Institute for the Blind; a grant of $22,500 to the Canadian Tuberculosis Association; a grant of $9,000 to the Victorian Order of Nurses; one to the St. John Ambulance Association, and one to the Red Cross.

Mr. STEWART (Edmonton): Does the minister think it is good business to delegate to a social organization the functions formerly performed by the department in connection with child welfare? The Department of National Health is a comparatively new department under this government, and I understood at its inception, that its purpose was to give leadership to the social agencies all through Canada that were doing health work. It is true there are departments of health in the different provinces, but I understood that this department was to lead and coordinate the efforts of all the health organizations. To me as a layman this change seems a step in a backward direction. I know from my experience in the Department of Immigration that when we delegated the functions of the department to organizations for the purpose of bringing immigrants into the country it only led us into difficulties. I protest against this move; I do not believe it is good business to delegate to a society, headed by Charlotte Whitton or anybody else, the functions formerly performed by the Department of National Health. I think the minister will find that as time passes too much power will be usurped by an organization of this sort. It is all very well to say that the chief health officer of the department sits in as a member of the board, but he will be entirely overshadowed. Moreover, constant requests will come from this organization for further assistance. It seems to me that the national health is important enough to require that this department should retain the powers with which it was clothed, in regard to child welfare as well as other activities. I take it that child welfare is one of the most important functions of the department. I do not know much about this council, it may have great merit, but I assume it is much the same as other organizations of the kind, and to hand over to it the powers and authorities formerly held by the department to my mind is a step in the wrong direction. I regret that the minister has taken it, and I protest against such a policy.

Mr. MacLAREN: I think perhaps the hon. member was not in the chamber when I gave the reasons for what is being done, because I believe that if he had heard what I said he would not be so strong in his opposition. However, I recognize the right of different people to hold different views. I believe it is a step in advance; he believes it is retrograde. Within a year or so we shall see who is right. I ask the members of the committee to bear it in mind and see which prophecy proves nearer to the truth.

My hon. friend says that the director of the health division will be overshadowed; I think he does not know him. From my experience I do not believe he will be overshadowed; either the whole affair will proceed satisfactorily and in the interests of the country, or it will not be continued. It is well safeguarded by the two specialists I have spoken of, who are here and available every day to advise the association. The work instead of being curtailed will be considerably enlarged and extended.

Mr. STEWART (Edmonton): It will be if you pay for it.

Mr. MacLAREN: Excuse me; that is not borne out by the facts. There is a saving in expenditure rather than an increase.

Mr. STEWART (Edmonton): If my hon friend will allow me, if he lives long enough—

Mr. MacLAREN: May I continue, Mr. Chairman? I shall be glad to give my hon. friend an opportunity in a moment. At the present time there is an economy as far as expenditure goes.

Mr. STEWART (Edmonton): There always is at the start.

Mr. MacLAREN: My hon. friend is entitled to hold a different view. But I think there is a very great deal to lead us to believe that by this change there will be a gain in efficiency in looking after maternity cases and children and social conditions.

Mr. SPENCER: I wish to support the criticism of the hon. member for West Edmonton (Mr. Stewart) regarding what we might call this division of labour by the Department of National Health. I cannot understand why the care of child welfare was taken from the department. I am sorry that having to be away from here at a committee meeting to-night I did not hear what the minister said earlier in the evening, but it seems to me we are not making nearly enough of our federal health department. I admit that there is a health department under each provincial government, but in my opinion a great deal of work could usefully be done in coordinating the activities of the different

provinces through the central agency. It seems to me that we may as well do away with the department entirely, if it is not going to be any more aggressive than it has been in the last three or four years. Without spending a great deal more money but with much more activity we could help the provinces. At the present time one hardly ever hears of anything being done by the federal department, and as the hon. member for West Edmonton (Mr. Stewart) has said, I feel that in turning child welfare over to a private institution a mistake has been made.

Mr. HOWDEN: A few moments ago the minister mentioned the name of Miss Charlotte Whitton. I was going to ask him if it was due to this lady's influence that the change had been made so that the federal department of health had discontinued activity in child welfare and had transferred the work to this voluntary organization known as the Canadian Council on Child and Family Welfare. I understand Miss Whitton is secretary of this institution, and it is reasonable to ask if her influence had anything to do with the change.

Mr. MacLAREN: I would not like to suggest anything of the kind with regard to a distinguished lady such as the one in question. Perhaps the question was not asked seriously; I hope not. I know that those who are connected with the federal council were willing, the department was willing, and arrangements were therefore made.

Mr. HOWDEN: A short time ago the minister told us that the federal government was making grants to institutions connected with mental hygiene, the blind, child welfare, tuberculosis, the Victorian Order of Nurses, the Red Cross and the St. John Ambulance Association. One very beneficial organization, the Canadian Social Hygiene Council, has not been considered in this grant. True, its activities deal only with venereal disease, but that disease is one of the greatest menaces to the health of our people. It seems strange that all the organizations named should be honoured with assistance from the federal government but that no assistance should be given to the very active organization I have named. Further than that, the federal government have withdrawn the $200,000 grant from the provinces, and there is probably no other medical organization throughout the length and breadth of the land that means so much to the welfare of our people as does the movement to exterminate venereal disease. May I suggest to the minister, in view of the fact that so many organizations are receiving assistance, that the grant should be extended to this very laudable movement, and that they may be empowered to proceed with a work which in many parts of the country has been temporarily discontinued.

Mr. MacLAREN: I have listened carefully to the remarks of the hon. member for St. Boniface (Mr. Howden), and I admit that if it were possible to give assistance to this organization it would be quite proper. Indeed, other organizations might be included in the list, which I do not regard as by any means exhaustive. The organizations were included through selection more than anything else. I should like to draw the attention of the hon. member to the fact that the operations of the Canadian Social Hygiene Council are not entirely restricted to venereal disease. They deal with all forms of disease.

Mr. HOWDEN: But chiefly with venereal troubles.

Mr. MacLAREN: That may be, but the fact is that the council deals with all forms of public health measures; I have learned that from the officials. Some years ago $200,000 was voted, and later reductions were made, first to $150,000 and then to $100,000. I wish to point out however that the vote was not given to the social hygiene council.

Mr. HOWDEN: It was given to the provinces; I understand that.

Mr. MacLAREN: Yes, the vote to the provinces has been discontinued.

Mr. HOWDEN: Quite so.

Mr. MacLAREN: While I do not wish to advise the association as to what it should do, because that is a matter which must be left to their own judgment, I have said to their officials that it would be better for them to restrict their work to venereal disease. I believe there is advantage to be gained in concentrating on something of an important and definite nature. I must admit that the Canadian Social Hygiene Council is not on the list I have named; I should be pleased if it were. I should not like to encourage the idea of applications for grants from other sources. The object of giving the $200,000 originally was to give a start to the movement throughout the provinces, also with the hope that once it was operating and was seen to be an effective measure the provinces would be able to carry on. It may be that the work is being carried on to a lesser degree, but good work is still being done.

Sir EUGENE FISET: I wonder if the minister realizes that by the very fact of cancelling the grant of $50,000 to the provinces, he is destroying the only connecting link that existed between the federal government and the departments of health in the various provinces. Two years ago when we discussed this question and begged the minister to reestablish that grant, he stated that he would take the matter under consideration. I wonder if he would not take under consideration this year the desirability of providing in the supplementary estimates the sum of $50,000 for this purpose. I know that the departments of health in the various provinces, more especially in the province of Quebec, were depending absolutely on the portion they were receiving of that grant of $50,000 to carry on their special services, on venereal disease, for instances, as mentioned by the hon. member for St. Boniface (Mr. Howden).

There is another question which I would ask the minister to consider. He stated a moment ago that he had transferred certain duties to a special body in Ottawa which seemed, so far as I could judge by the minister's statement, to act in the main locally in Ottawa, and perhaps in Ontario. I wonder if the minister has taken the trouble to inquire what has been done in the province of Quebec.

Last year I called the minister's attention to the fact that the province of Quebec had adopted a different system from any other province so far as child welfare was concerned. Ten years ago what they call sanitary units were organized under the direction of one who is now the superintendent of health in the province of Quebec, Doctor A. Lessard. The movement was started in the county of Beauce, and the results there, so far as child welfare was concerned, were so marvellous, that it spread until at the present time we have in the province fifty-five sanitary units, each with a medical officer paid by the provincial government, and in the unit, when it embraces more than one county there are two or three nurses who are also paid by the local government. They are given an allowance to enable them to operate all through the summer, and they visit not only the principal centres in each county, but even the most remote sections. They give lectures on hygiene and prevention. They visit every family in each community. They advise mothers and instruct them in the precautions to be taken in case of isolation, and so forth. They teach them what precautions to take against infectious diseases, and give instruction on all other subjects relating to hygiene. These units have been operated by the province, and the only contribution which the province receives in support thereof is $12,000, which is subscribed by the county itself, the remainder being paid by the government.

So far as venereal diseases are concerned, if the minister will take the trouble to read the last report on public health issued by the province of Quebec, he will discover that we are practically depending entirely on the grant received from the federal government to carry on the campaign against venereal diseases.

As to tuberculosis, we have adopted in the province of Quebec, over and above the care of the people affected with tuberculosis, the system prevailing in France called the Granger system. It has also been adopted in England and in parts of Scotland. It consists of segregating from contaminated families in the big centres the children of families who are not affected by the disease. They are placed in the country under the supervision of the parish priest, and are visited daily by the officers of the health unit. Of course the system is expensive. It costs nearly $20 per month to maintain each child, and the whole of that expense is borne by the provincial government. What surprises me is that in view of all these new methods that are being adopted all over Canada, the federal department of health has never taken the trouble to ascertain through the college of surgeons of the different provinces what method could be adopted to coordinate the work done in the provinces with that which is being done by the federal department of health. It seems to me that the federal department should take the lead in this matter, and that it should first of all ascertain through the different medical colleges what could be done to improve the situation. Then reports can be received from the provinces, and if you had a conference with the provinces on public health it seems to me that you would arrive at much better and more material results than you have to-day, under the haphazard method that is now being followed of transferring over to famous ladies or others the duties of the department in regard to public health.

Mr. MacLAREN: I have listened with great pleasure to the views put forward by my hon. friend from Rimouski, who has advocated with much vigour several very excellent things. It is particularly gratifying to me that he has done so because he has advocated the cooperation that has been carried on by the department for a number of years. We recognize that the health units

have prospered and done very excellent work in the province of Quebec, and we are pleased that that is so. It is to their credit; but it is also their duty. That is the idea of the whole health organization in this country, that the provinces should do this work, and I think that it can be said that the province of Quebec has led in the matter of health units. Why? Outside of the characteristics of the people of the province of Quebec—

Sir EUGENE FISET: Because they had a good minister.

Mr. CASGRAIN: And a good government.

Mr. MacLAREN: I think one of the main reasons is that their clergy have supported that movement and encouraged their people to have confidence in it, and so the health units have been conspicuously successful in the province of Quebec.

My hon. friend from Rimouski said that the provincial government had been the basis and support of that work. He does not recall perhaps that the Rockefeller Foundation, if my memory serves me, gave a substantial grant for a certain number of years to support the initiation of these health units. That grant may have ceased; I rather think the time has elapsed.

Sir EUGENE FISET: No, they are still subscribing.

Mr. MacLAREN: They still are. Well, I think it would be fair to mention that to the members of the house.

Sir EUGENE FISET: I have no objection whatever. I praise the movement.

Mr. MacLAREN: The Rockefeller Foundation has been a rather generous benefactor. I am delighted that my hon. friend from Rimouski has advocated another thing that we are doing. Please do not forget that we have a very useful coordinating and cooperating organization called the Dominion Council of Health, which meets twice a year in Ottawa. I believe the next meeting will be in June, and I ask all those who are interested in health matters to attend the meetings and see what it is all about. The council is composed of a health representative from every province, a representative of the agriculturists, a representative of Labour, and two from the women's organizations. A specialist from the Toronto university also attends, in addition to one of our own officials. At these meetings, which last two or three days, an effort is made to coordinate the work of health officials throughout the dominion. Notes are compared and when considered advantageous, there is a standardization of records and statistics relating to the treatment of infectious diseases and all such matters. Matters of interest and value to health officials are discussed. The dominion tries to take the lead in health matters, and, speaking in a very modest way, I think we have taken that lead. This organization is called together at the expense of the federal government and papers are read and discussed. I do not think there is anything which could prove more useful and valuable. A small pamphlet on health is published and distributed to the medical men throughout Canada. Many of them write in and say they are delighted to have it. This is another method of coordinating public health matters in this country. In any consideration of these matters I do not think we should omit mentioning the Dominion Council of Health.

Mr. MITCHELL: After listening to this discussion I have come to the conclusion that if we go much further the only thing we will have left is the name. In my opinion, the minister has not yet given a reason for the abolition of the child's welfare department and the delegation of certain powers to an outside organization. I have not been convinced that this change was necessary and I should like to know why it was made.

Mr. MacLAREN: I have gone over this matter twice already, but apparently the hon. member was not in the chamber.

Mr. MITCHELL: I was present.

Mr. MacLAREN: I shall be pleased to go over it once more. We believe that there has been a gain in efficiency and an increase in activities by reason of this change.

Mr. MITCHELL: Do I understand from that that the department was inefficient prior to the change being made?

Mr. MacLAREN: No, but there are degrees of efficiency and I believe we have added to the efficiency. In any case a change would have been necessary because the director of child welfare had exceeded the limits of the requirements by two years. Even apart from that reason, I believe this change will be in the interests of the people of Canada. As far as child and mothers' welfare matters were concerned, the department could not come in actual contact with the people, but this condition is now being corrected. The new organization is not divorced entirely from the department. The senior officer of our health division is a member of the council and a member of the committee, and with him are two others, one an obstetrician and the other a specialist in child diseases. These

gentlemen advise the council and supervise its work here in Ottawa. The publications which were formerly published by the department will still be published by the new organization in an improved form.

As I said before, this new method may be discontinued at any time. Hon. members need have no apprehension that we are bound to carry it on forever, but I do not anticipate that there will be any request for a change back to the old method. Our object is to pursue this matter in the best way possible and that could not be done under the old arrangement. The department could not reach the people to the same extent as this council will be able to do. They have branches from one end of Canada to the other and will be more closely in touch with the homes of our people. If our aim is to educate and help the people, I believe this organization offers the best method of doing so.

Mr. MITCHELL: How much was saved by this change?

Mr. MacLAREN: The expenditure last year for salaries, travelling expenses, printing —we did a good deal of printing in the way of pamphlets—and stationery, amounted to $19,217.99. For this year we estimate the salaries at $6,165; travelling expenses at $358.85; stationery and printing at $1,818.51, making a total of $8,342.36. That is the estimate I have here but I do not think it is quite accurate; I believe the expenses will be about $9,500.

Mr. MITCHELL: Do I understand there will be a saving of about $10,000?

Mr. MacLAREN: The saving will not be anything like that. I gave the figure for last year, $19,000 or a little over. Under the new arrangement, allowing for the grant, and some additional expenses, I would put it at $13,500 as my estimate.

Mr. HOWDEN: It might be as well for us as a committee actually to realize and to understand what an important change such as this will mean, and the only way we can do so is to have it indicated by the minister what the activities of the former child welfare department of the federal health department were, and what activities are contemplated by the Canadian Council on Child and Family Welfare.

Mr. MacLAREN: The activities are the same. The advantage I believe is that they will be carried out in a broader and more extensive way.

Mr. HOWDEN: The minister has said on several occasions to-night that the federal department of child welfare did not come in contact with the public.

Mr. MacLAREN: No, I did not say that; I said, not to the same extent. I say so many things that are changed just a little bit, not intentionally, but they are changed. I did not say that they did not come in contact with the public; that is impossible. I said that they did not come in contact, nor could they come in contact, to nearly the same extent as they will under the new organization.

Mr. McINTOSH: I have one question to ask with reference to item 194, which deals with the important matter of national health. In regard to the administration of the acts respecting opium and narcotic drugs, may I ask the minister whether the jurisidction of the department has been confined to the enforcement of these acts in Canada or whether extraterritorial jurisdiction has been exercised by the department outside the dominion?

Mr. MacLAREN: As far as the actual work goes, being instrumental in taking steps to suppress the traffic, the efforts are entirely within Canada; prosecutions naturally are within Canada. But our sphere does extend beyond Canada, to this extent, that we send our special narcotic official to Geneva, generally once a year, to take part in the deliberations there and to assist in the drawing up of regulations regarding the restrictions and suppression of narcotics.

Mr. McINTOSH: That means, then, that there is international cooperation with respect to these acts?

Mr. MacLAREN: Oh yes, quite so.

Mr. SPENCER: The minister has called attention to the fact that the department has saved about $10,000 in making the change, taking the work of child welfare away from his department and turning it over to a private association. He informed the committee that better work is being done and that more people are being helped through this change. I would ask, therefore, where was money wasted in the earlier arrangement?

Mr. MacLAREN: First of all, I did not say $10,000. I think the figures will show about five thousand five hundred.

Mr. SPENCER: I think the saving is between $5,000 and $6,000.

Mr. MacLAREN: My hon. friend asks where money was wasted. I am pointing out where the saving will be.

Mr. SPENCER: But where did we waste money before?

Mr. MacLAREN: In the department there was a medical director besides four stenographers. That expense was maintained and is now eliminated, because the organization is now being carried on by the council on child and family welfare.

Mr. SPENCER: Did four stenographers make up the difference of between $5,000 and $6,000? At that rate they are paid more than most stenographers.

Mr. MacLAREN: I have not the exact figures; they have not been finally adjusted. I say however that there is a saving because there will be a lesser expenditure of several thousand dollars, I presume, about five. But I do not wish to make an exact statement. There will be less expenditure of some thousands of dollars under the new arrangement.

Mr. SPENCER: I would ask a question with regard to the taking away of the grant from the Canadian Social Hygiene Council. The minister admits that some excellent work has been done by this association. Personally I do not know of any health association in Canada that has done more and better work across this dominion. It has probably been a very important link connecting up the work of the health department in the various provinces. Up to a few years ago they were getting a grant of $100,000. The minister himself admits the value of this association and the good work they have done. I understand that the grant has been entirely discontinued for two years. Why was it discontinued?

Mr. MacLAREN: They never had a grant of $100,000.

Mr. SPENCER: How much was it?

Mr. MacLAREN: That grant went to the provinces, not to the social hygiene council.

Mr. SPENCER: Can the minister give the exact amount that did go to the social hygiene council?

Mr. MacLAREN: The last grant given a few years ago was $10,000, although it had been larger than that. There is naturally a little confusion about the grant that has been going to the provinces and administered by them, but the last grant to the social hygiene council was $10,000.

[Mr. Spencer.]

Mr. SPENCER: Considering the excellent work that association has done, will the minister inform the committee why the grant was taken away?

Mr. MacLAREN: I know nothing about these terms; I did not use the word excellent. I said it was a good organization.

Mr. SPENCER: What is the difference?

Mr. MacLAREN: I said that there was a selection of them and all the organizations unfortunately are not receiving grants. Further, I would like again to point out that social hygiene does not restrict itself to venereal diseases and I presume that were there a grant to-day, it would again go to the provinces where it is concentrated in dealing with that disease. The social hygiene council, so far as I am aware, deals with all conditions of ill health.

Mr. HOWDEN: The minister has stated once or twice in the course of the debate that the federal department of health was coordinating the health services of the provinces through the medium of the Canadian health council, and I think he said that this body met once or twice a year—

Mr. MacLAREN: Twice.

Mr. HOWDEN: —to discuss matters and that through their deliberations and activities, the activities of the various provinces in health matters were coordinated. Some years ago I had the pleasure of attending one of the meetings of that body, and if I remember well, it discussed a wide variety of subjects, all no doubt pertaining to the health of the Canadian people, but, as I understand the situation, at that time those papers were merely read and discussed and possibly some recommendations were passed on to the federal health department. I was not able to see from their activities that they would have any possible influence on the health services of the provinces. If we are going to give the citizens of Canada a uniform, standardized policy of health, we require a statutory control exercised by the federal government through its health department. We must have a standardized control with the nature and degree specified of the activities of the provinces with regard to health services to their citizens. In order to get that, I am of the opinion that the federal government will have to contribute to the expense of such a program, because undoubtedly it will entail considerable expense. I do not think we shall ever have an entirely satisfactory health program in Canada until we have such a

coordination of the services of the provinces, and we can have a definite coordination only through statutory control exercised by the federal government. So far as the Canadian health council is concerned, although, as I stated before, I have attended one of its meetings, I cannot see that it can have very much influence on the health services of the provinces.

Mr. MacLAREN: There again we do not hold the same view. My opinion very clearly is that it exerts a valuable measure of cooperation, bringing together the health officers in the different provinces and others interested in that work. The result is just the same as one would have in a conference —the benefit of an opportunity to discuss matters with one's fellow health officers. There is no question that it is of much value.

I should like to make this statement on the subject generally; those who have been speaking have been pointing out matters to be criticized and suggesting improvements. One might gather from that that public health in Canada is not advancing. That is an incorrect impression. I have not heard one member either to-day or yesterday referring to the marked advance being made in Canada every year. I can speak for my own province that had the first minister of health in Canada.

Mr. VENIOT: The first in the world.

Mr. MacLAREN: Perhaps in the world. This gentleman was formerly, I think, a minister in the cabinet of the hon. member for Gloucester. I refer to Doctor Roberts, who was, I certainly was under the impression, the first minister of health in Canada and I daresay, as the hon. member for Gloucester says, the first minister of health in the world.

Let us consider for a moment the case of New Brunswick, because I think we can learn a good deal from that little province. Public health there has advanced steadily; it has kept pace with the progress of similar systems anywhere else. Let me now refer to Ontario. Without making undue comparisons, I think Ontario stands at the top, so far as public health in Canada is concerned. Is there no improvement there? Why, it is striking. All I ask is that we do not have the impression and that the impression does not go out to the public that we are not gaining ground steadily. The same thing applies to the other provinces; Quebec and the others are doing excellent work. I have no doubt the degree of improvement has varied in different provinces according to their means and perhaps for other reasons, but the fact is that public health is from year to year gaining substantial ground in Canada, notwithstanding the objections advanced with regard to leadership and organization.

Mr. MYERS: I would like to draw the attention of the minister, the committee and especially the hon. member for Gloucester (Mr. Veniot) to the fact that the little province of Prince Edward Island has had a minister of health since 1927.

Mr. VENIOT: I might state for the information of the hon. member that New Brunswick was the first province to have a separate department and minister of health and that department was established in 1918.

Mr. MYERS: I bow to the superior wisdom of the hon. member.

Mr. SPENCER: We have had remarkable figures given for the province of Quebec with regard to the work being done under the full time health units. It is well recognized that the establishment of these health units was made possible through the generosity of the Rockefeller Foundation. I understand that foundation gives grants, probably one-third of the cost, for the first three years and then withdraws its support. A number of provinces have hesitated to develop that sort of health care because of the fear that when the Rockefeller Foundation stops its grants, the provinces and the municipalities could not afford to continue the work. I should like to congratulate most heartily those who have been carrying on the work in Quebec, because it has been productive of splendid results. I believe British Columbia comes next in the number of full time health units. Alberta has two experimental units. Recognizing the fact that the Rockefeller grant is for only three years, I would ask the minister whether he has given thought to the matter of asking the government through his department to continue the grant when the support of the Rockefeller Foundation is withdrawn?

Mr. MacLAREN: Unfortunately the hon. member was not in his seat when we were discussing the Rockefeller grants and these health units of Quebec that had done so well. As to the hon. member's question, I do not wish to indicate any expectation that it will be carried on this year.

Mr. SPENCER: Has the minister given sufficient thought to the matter to cause him to advocate that the federal government take the responsibility of carrying on where the Rockefeller Foundation leaves off? If that is done I am sure other full time health units would be established throughout Canada.

Mr. MacLAREN: I quite understand that it would have to apply to all parts of the country; it could not be restricted to one province. All I can say is that we will make a note of the matter and look into it and consider it further. But I do not wish to give any assurance in that regard. Anything done would have to apply to all the provinces.

Item agreed to.

Pensions payable to men on active service, Northwest rebellion 1885, and general pensions, and civil flying, $22,000.

Mr. MACKENZIE (Vancouver): Will the minister explain the reduction of $4,000 in this item?

Mr. MacLAREN: The amount is based on what was expended last year. It chiefly concerns those who were in the Northwest rebellion, and that was a good many years ago.

Mr. MACKENZIE (Vancouver): What is the number of these pensioners left now?

Mr. MacLAREN: The amount expended last year was $21,510.78; slightly less than the vote for this year. There are 49 disability pensioners and 6 dependent pensioners, a total of 55. For the Northwest rebellion these are the items: 23 privates, 1 corporal, 1 sergeant, 1 warrant officer and 1 lieutenant, a total of 27; and 1 dependent. Then there are a few others, for instance one under civil flying. When members of the civil service fly on duty—which is quite seldom, I understand—they would come under this. There is one such case.

Item agreed to.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Wednesday, March 21, 1934

The house met at three o'clock.

PRIVATE BILLS COMMITTEE

Second report of the select standing committee on miscellaneous private bills.—Mr. Stinson.

COMMITTEE ON STANDING ORDERS

Mr. A. U. G. BURY (East Edmonton) presented the first report of the select standing committee on standing orders and moved that the report be concurred in.

Motion agreed to.

[Mr. Spencer.]

QUESTIONS

(Questions answered orally are indicated by an asterisk).

UNEMPLOYMENT RELIEF, PETAWAWA PROJECT

Mr. COTNAM:

1. How many men have been employed on relief project No. 40 at Petawawa?
2. How many men are employed there at the present time?
3. What amount of money has been spent on the said project?
4. What amount of money has been spent on material and supplies?

Mr. SUTHERLAND:

1. 2,597 up to February 28, 1934.
2. 1,008 on March 15, 1934.
3. $272,710 up to February 28, 1934.
4. $168,610 up to February 28, 1934.

Mr. COTNAM:

What amount of money was spent on the surfacing of roads at the Petawawa military camp under the emergency legislation of 1930?

Mr. SUTHERLAND:

No money was spent on the surfacing of roads at the Petawawa military camp under the emergency legislation of 1930; but $25,868 was spent on this account out of the appropriation of the Department of National Defence during the fiscal year 1930-31.

GREEN RIVER, N.B., MAIL CONTRACT

Mr. MICHAUD:

1. Who has the contract for carrying His Majesty's mail from post office, Green River, to railway station?
2. When was contract awarded?
3. At what price?
4. When does such contract expire?
5. Has there been a change in the contract?
6. Has the preesnt contractor been notified that the contract will be abrogated or cancelled in the near future?
7. If so, for what cause or reason, if any?

Mr. DUPRE:

1. Martha Theriault.
2. July 1, 1926.
3. $132 per annum.
4. June 30, 1934.
5. No.

6 and 7. The contract will expire on the 30th June, 1934 and a new contract was authorized with Mr. Camille Azzard from July 1, 1934.

PARENT, N.B., POSTMASTER

Mr. MICHAUD:

1. What is the name of the postmaster at Parent, Madawaska, New Brunswick?
2. What is his age?

3. When was he appointed?
4. Has there been any complaint against him regarding the way he discharged his duty?
5. Has any recommendation been made for his removal?
6. If so, by whom, and for what cause?

Mr. DUPRE:

1. Michel Lebel.
2. About 87 years.
3. August 1, 1880.
4. Not recently.
5 and 6. See answer to question 4.

THREE RIVERS POST OFFICE BUILDING

Mr. DUBOIS:

1. Does one of the government members of this house occupy an office in the post office building at Three Rivers?
2. If so, how many rooms does he occupy, and are such room or rooms furnished?
3. If so, where and from whom were the furnishings purchased, on what date, by whom, and what price was paid for same?
4. Is the said building the property of the dominion government?
5. Does the occupant pay rent; if so, how much?

Mr. STEWART (Leeds):

1. Office space in the public building at Three Rivers, which was vacant and not required for public purposes, is temporarily occupied by the member for Three Rivers-St. Maurice for the transaction of public business only and for the convenience of the public.
2. (a) Two; (b) yes.
3. No new furniture purchased. That supplied was surplus used furniture on hand.
4. Yes.
5. (a) No; (b) answered by (a).

COUTURIER, QUE., POSTMASTER

Mr. POULIOT:

1. Is Mr. Edmond Levesque still postmaster at Couturier, county of Témiscouata?
2. If not, when did he cease holding such position, why and upon whose request?

Mr. DUPRE:

1. No.
2. (a) February 7, 1934; (b) on account of unsatisfactory location; (c) C. E. Dubé.

DES ETROITS, QUE., POSTMISTRESS

Mr. POULIOT:

1. Is Miss Aurore Boisvert still postmistress at des Etroits, county of Témiscouata?
2. If not, on what date did she cease occupying such a position, and why?
3. By whom was she replaced?
4. Upon whose request was the new postmaster appointed?

Mr. DUPRE:

1. No.
2. (a) December 6, 1933; (b) following her marriage she tendered her resignation in accordance with the terms of order in council P.C. 517, dated March 12, 1921.
3. Achille Ratté.
4. Recommended by C. E. Dubé.

QUESTIONS PASSED AS ORDERS FOR RETURNS

VANCOUVER HARBOUR COMMISSION

Mr. MacINNIS:

1. What amount of insurance was carried on crown property under the control of the Vancouver board of harbour commissioners for the year 1933?
2. What was the total premium paid on said insurance?
3. With what companies was the said insurance placed, and who were the agents of the companies with whom said insurance was placed?

UNEMPLOYMENT RELIEF, CONTRIBUTIONS BY PROVINCES

Mr. COTNAM:

What amount of money was contributed by each province under the Unemployment Relief Act for the years 1930, 1931, 1932, 1933, and 1934, respectively?

POLITICAL PARTISANSHIP INQUIRIES

Mr. POULIOT:

1. Were inquiries regarding political partisanship held since 1930, respecting the following postmasters, Johnny April, of Gironde; N. Ouellet, of Lamy South; J. Michaud, of La Richardiere; M. Saint-Pierre, of Le Petit Bois Franc; D. Lebel, of Montagne Ronde; Antoine Landry, of Notre-Dame du Lac; C. Saint-Pierre, of Pied du Lac; Andre Beaulieu, of Raudot; Joseph Viel, of Squatteck, and J. B. Plourde, of Sully?
2. If so, were they dismissed following such inquiries?
3. Upon whose request was each of such inquiries granted?

Mr. POULIOT:

1. Were inquiries regarding political partisanship held since 1930, respecting the following postmasters, Edmond Levesque, of Couturier; Thomas Dube, of Denonville; Joseph Michaud, of Lamy; Alcide Beaulieu, of Packington; Omer Sirois, of Riou; Edmond Rioux, of St-Arsene; Charles Bosse, of St-Eusebe?
2. Is each of the above-named postmasters still discharging duties of such office?
3. If not, upon whose request and on what date was each such postmaster dismissed?

VALIDATION OF ORDERS IN COUNCIL

Hon. T. G. MURPHY (Minister of the Interior) moved that the house go into committee to-morrow on the following proposed resolution:

That the orders in council which have been published in the Canada Gazette between the 9th day of September, 1932, and the 31st day of December, 1933, in accordance with the provisions of section 75 of the Dominion Lands Act, chapter 113, R.S., 1927, and which were laid on the table on the 26th day of January, 1934, be approved.

Mr. LAPOINTE: Explain.

Mr. MURPHY: This is more or less of a formal motion which has passed in similar form at each session of parliament, and is in accordance with the provisions of section 75 of the Dominion Lands Act. As the resolution states, the act provides that all regulations passed during the year shall be approved by resolution. The orders in council referred to were tabled in the house on January 26, 1934.

Motion agreed to.

SUPPLY

NICKEL—PROPOSED CONTROL OF PRIVATE ARMAMENT MANUFACTURE AND OF EXCHANGE OF RAW MATERIALS FOR WAR PURPOSES

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee of supply.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, before you leave the chair I should like to discuss the control of nickel, and I beg leave to move the following amendment:

That all the words after "that" be struck out and the following substituted:

Whereas, nickel is an important material in the manufacture of armaments;

Whereas, Canada furnishes ninety per cent of the world's nickel;

Whereas, according to the League of Nations' reports the activities of the armament manufacturing concerns have been a considerable factor in causing unrest between nations;

And whereas, the League of Nations has set up cooperative machinery for the control of the production and distribution of narcotics;

Therefore be it resolved, that, the Dominion government be requested to forbid the export of nickel to be used for war purposes, and also that the Dominion government request the League of Nations council to set up the necessary machinery for controlling the manufacture of armaments by private companies, and the exchange of raw materials used in the manufacture of armaments.

[Mr. Pouliot.]

I had hoped to be able to introduce this matter in the regular way as a private member's motion, but since private members' days have been taken away I find myself compelled to introduce it under this order. I do this with no desire to move a vote of want of confidence in the government, but rather to present what seems to me to be a very important question.

At the beginning of this year, in conjunction with the Prime Minister (Mr. Bennett) and the leader of the opposition (Mr. Mackenzie King), I signed an appeal to Canadians to study and work for peace. This was called Canada and World Peace, and I quote from it as follows:

The aim of Canadian foreign policy—

Perhaps this should more properly have read: The declared aim of Canadian foreign policy

—is peace and that aim expresses the desire of every Canadian. But peace cannot be maintained without knowledge and a conscious effort on the part of democratic peoples. For this reason we believe all Canadians should study the position of our country in the world and the contribution Canada may make towards strengthening the agencies designed to ensure world peace and economic stability.

And again:

Without doubt world peace is menaced today as at no time since the close of the great war. Canadians did their part nobly in that war and know only too well its horror and its cost in blood and treasure. Another such conflict might imperil western civilization.

The people of this country worked together in war. We ask them now to work together in the nobler task of helping to substitute for the use of violence and force in international relations, the principles of law and justice upon which a world society as well as a national society must rest.

It is with the desire of implementing this appeal by something concrete and to make it more than a pious wish that I place before the house the amendment which I have moved. It is well that we should remember the warning given a few months ago by Sir Norman Angell. Speaking in Winnipeg in November he said:

Canada is as important as any other country when it comes to hostilities. You will have to play your part, you people here. You control about 95 per cent of an element of munitions, without which no nation can go to war. If you people in Canada decide that there shall be no future wars, you will be a mighty factor in insuring that there are none. There is nothing inevitable about war, but if things are allowed to drift the inevitable, as a result of such a policy, will happen.

I recognize quite clearly that to many this question may seem to be rather remote, but I would point out that the same was true of the troubles which were occurring in Europe a few months before the world war broke out. To-day nothing in the world is remote from us. There are two questions which I think will occur immediately to every hon. member of the house. The first is: Can we be sure that any large proportion of the nickel produced in Canada is going into armaments? The second is: Is there any feasible method of control? I propose to attempt to answer these questions.

It may be said that as Canada is such a small nation numerically, she by herself can do very little in world affairs, but the possession of nickel gives us a strategic importance. Through her virtual monopoly of nickel Canada may speak with a voice that may be heard around the world. Canada might make a gesture offering to cooperate with the league in the control of nickel, which might at this critical juncture produce the most far-reaching effects.

I need hardly pause to remind the house of the serious conditions that prevail to-day in the world at large. In the far east Japan and China have been fighting an undeclared war. More recently we have had the threat of war between Japan and Russia. In South America we have had war between Bolivia and Paraguay over the Gran Chaco dispute. We have had war between Peru and Colombia over the Leticia dispute. In Europe the League of Nations has been practically set at defiance; the disarmament conference has virtually broken down. In Germany we have had tremendous upheavals and unbelievable atrocities. In France even there have been riots. The Balkans, always a dangerous spot, have been in recent months showing signs of again breaking into fire. In Austria we have had what might almost be termed a civil war. Arising from the unsettled world conditions it would seem as if we are in for a new race in armaments. In England Vickers-Armstrong are increasing their staffs and their shares are soaring. In France the Hotchkiss Armament Works and the Schneider plant at Le Creusot; in Czechoslovakia, the Skoda works at Pilsen and the state arsenal at Brunn have all been working as they have never done before. In Holland there is a boom in Dutch munitions. In Finland they have been buying bombing planes. In Germany there are daily reports of secret rearmament. In Japan, buyers for Mitsubishi are in Germany purchasing nitrogen for explosives. In the United States they are launching the greatest shipbuilding program in the history of that country. Fifty-two battle ships are to be built at a cost of $258,000,000, twenty-two of these ordered from private firms.

Arms and munitions are intended in part for home consumption, but to a considerable degree they are being prepared for export, chiefly to the far east, to South America and to southern European countries. The British government's gesture to restrict shipments of arms during the far eastern conflict fell through, causing only very temporary inconvenience to the armament manufacturers. Not only because sales of British arms overseas are good for trade and prestige but also because a high armament export trade enables the firms to keep up to date by working at greater capacity than would be possible if they relied only on the purchasing power of their own governments, the plants are kept ready to meet the sudden demands of war. In this connection I might quote from Sir Herbert Lawrence, chairman of Vickers Limited, in his annual speech recorded in the Financial Times, April 4, 1933. He said:

> It is true that Vickers-Armstrongs Limited relies largely on armament orders for its existence. On the other hand, the safety of the empire, in the event of aggression by some other power, also depends on the capacity of the country to increase the production of armaments at short notice.

The question may naturally arise—Do the manufacturers of armaments consciously foster war? I think we have an answer to this in the report of the first subcommittee of the temporary mixed commission of the League of Nations after investigation of the private production of war equipment. That was back in 1921. The report reads in part as follows:

> Whereas the League of Nations has definitely declared in the league covenant that private production of war equipment is open to grave objection. . . .

Then they state:

> 1. That armament firms have been active in fomenting war scares, and in persuading their own countries to adopt warlike policies and to increase their armament.
>
> 2. That armament firms have attempted to bribe government officials both at home and abroad.
>
> 3. That armament firms have disseminated false reports concerning the military and naval programs of various countries in order to stimulate armament expenditure.
>
> 4. That armament firms have sought to influence public opinion through the control of newspapers in their own and foreign countries.

5. That armament firms have organized international armament rings, through which the armament race has been accentuated by playing off one country against another.

6. That armament firms have organized international armament trusts that have increased the price of armaments to the governments.

Thirteen years have substantiated these unanswered charges, and big business manages, as someone has suggested, to maintain a nice balance between commercial ambition and national patriotism. Mr. Sopwith, chairman and joint managing director of Hawker Engineering Company Limited and Hawker Aircraft Limited, in the Daily Express of London of November 12, 1932, said:

The government is interested in disarmament while still wishing to keep some standard of aircraft production alive in this country. How can that standard be kept alive unless our manufacturers sell to the foreigner? If trading in armaments were illegal, like trading in drugs,—

I hope the house will mark that sentence.

If trading in armaments were illegal, like trading in drugs, there would be a question of moral responsibility. As it is, there is only a question of open competition. . . .

We believe our machines and engines are the best, since all countries, except France, Italy and America, buy from the British manufacturer. But Great Britain runs a grave danger in being thus outnumbered. Not a country but looks to the air for its defence.

I think such a statement as that undoubtedly justifies the rather cynical remark in Aeroplane, the unofficial voice of the British air ministry, on March 15, 1933:

The manufacturers of both aeroplanes and engines may hope for increased turnover and profits a year or so hence when the disarmament conference has faded out and the program of expansion is allowed to proceed.

Unfortunately, it would seem that this has been something of a prophecy, for the disarmament conference has still further faded away and the race in air equipment is proceeding at an accelerated pace.

Now, having referred to these general matters, I should like to come particularly to the question of nickel, which seems to be an essential raw material in the manufacture of armaments. There are two propositions which I think may be regarded as generally true: first, that nickel is indispensable, and second, that Canada has a virtual monopoly of it. This was an important question during the great world war. In 1926 the hon. member for Labelle (Mr. Bourassa) urged control on the ground that nickel was used for armaments. I refer the house to Hansard of January 29, 1926, at page 550. The hon. member for Labelle was criticized on technical grounds by the hon. member for Pictou (Mr. Cantley). The latter hon. member argued that steel alloy suitable for armament purposes can be made with manganese, chromium, tungsten, vanadium and molybdenum, all of which are available in Canada. He concluded his remarks by saying:

—were the Germans entirely deprived of nickel they could still put ships in the battle line and confront our armies with all types of artillery. Nickel is of much more importance in industry than it is in war, and it really seems silly to get excited over its distribution either to the Germans or to anyone else.

Mr. CANTLEY: Quite true.

Mr. WOODSWORTH: The hon. member for Pictou believes that to be still true, but I would point out that the government metallurgists, while admitting that nickel is not the sole suitable alloy, say it is the only practicable one. This, of course, is a technical question, and I should like to hear that point answered by the hon. member for Pictou, but that I have on very good authority. First of all, nickel is cheap and, second, it is found in large quantities, whereas the other metals are largely prohibitive in price.

Is there any connection between the boom in the armament industry and the rise in nickel exports? That, of course, is a question that is fundamental to our argument. Nickel industry executives, though they admitted it earlier, now say that there is no connection whatever. We have the following statement by the Mond Nickel Company, a partner in the International Nickel Company, as given in the Daily Express of October 31, 1933:

It has no reason to think that the increased nickel consumption in Europe is due, to any substantial extent, for armament purposes. Stainless steels, automobiles, radio, cast iron and coinage—all these are improving fields for the use of nickel.

Mr. J. Ireland of London, English executive of the International Nickel Company, according to a Canadian Press dispatch from Victoria, British Columbia, of November 7, 1933, had this to say when he was en route from the orient to England:

If Canada placed a ban on the export of nickel intended for the manufacture of armaments, such action would lead only to stimulate development of other deposits which as a substitute might prove equal if not superior to nickel for the toughening of steel.

Of course, such a statement coming from an interested party is not, I submit, altogether convincing. I believe it is agreed on all sides that the major use of nickel in armaments is for armour plate, for which purpose its value depends on the fact that it greatly increases the strength, toughness, hardness, and impact

resistance of steel without a corresponding decrease in ductility. It also increases the heat treatment range. According to Sir William Berry, director of naval construction of the British Admiralty, the average composition of armour plate is:

	Per cent
Nickel	3.5 to 4
Chromium	1.5 to 2.5
Manganese	0.4
Silicon	0.15
Carbon	0.35 to 0.5

When used fourteen inches thick, it constitutes good protection against twelve-inch, 700-pound armour-piercing shells travelling at a speed of 2,000 feet per second. The same authority states that no important developments in armour plate took place during or since the war.

My point is this, in answer to the contentions advanced some years ago by the hon. member for Pictou: If there is no practicable substitute for nickel, what are we going to do about armour plate? It would seem as if my hon. friend's German ships, unless supplied at almost prohibitive prices with tungsten, molybdenum and so forth, would be shot through like cardboard. According to the authorities, nickel would seem to be essential. I quite freely admit that only a small quantity, some four to six per cent, is required to make a good alloy, but even at that, an immense quantity would be required even in a single battleship.

Let me go back for a few moments to the Canadian history of nickel. There was a great increase in the Canadian production in 1905 and immediately preceding and during the war, partly due to increased industrial activity, but no doubt mainly on account of the demands for war purposes. After that there was a drop in production in 1921 and 1922 to less than one-fourth of the previous maximum. Of course one cannot prove that curves are always obedient to one set of factors, but when one sees a great productivity during the war and an immediate drop after the war, it is at least very significant. The fact is that the Washington conference for the limitation of naval armaments wiped out the major demand for nickel. I want to be fair in this matter and I would say when the bottom dropped out of nickel at the end of the war, the companies operating the mines in Canada immediately began to intensify research to discover any new uses for nickel and any new applications of uses already known. The success of their combined effort is shown in the almost vertical rise in the curve of production from 1922 to 1929. It is remarkable that during each of the years 1928 to 1930 production exceeded the maximum of the war period. To-day the uses for nickel in the industrial field are innumerable. A partial list includes structural steel, monel metal, nickel silver for automobiles, heat-resistant alloys, iron and steel castings, coinage, storage batteries, catalysts in the chemical industries, lead-in wires for electric light bulbs.

Summing up the period between 1922 and the depression, I think it is safe to say that by far the larger proportion of all nickel went into industry. In this connection an interesting statement was made in 1928 by the late J. L. Agnew, then president of the International Nickel Company. Referring to the great war he said:

> Prior to hostility and throughout the duration of that conflict sixty per cent of the nickel went into war materials; now only about three per cent is so used.

That was true at the time. Does it still hold good? The depression hit the nickel industry badly. The demand fell steadily until in 1930 we find the following situation—I shall give the totals for several years:

Year—	Total pounds
1929	110,275,912
1930	103,768,857
1931	65,666,320
1932	30,327,968
1933 (excluding December)	74,319,198

These figures indicate that the sudden rise following the decrease subsequent to 1929 began in June of last year. It is a striking fact that since then the production has been maintained on a scale higher than the peak of 1929. Shares which undoubtedly had dropped to very low prices began to rise. I have a statement given by the Canadian Press on March 12, in connection with the report of the International Nickel Company of Canada for the year ended March 31, 1932, which shows a net profit of $9,662,583.64, after all charges, including the provision of $3,551,653.32 for depreciation and mine depletion. Recently there has been an announcement of a new smelter to be built at Copper Cliff at a cost of somewhere under $1,000,000. It would seem as if we are justified in concluding that there is some new demand that has led to this very great increase in the production of nickel.

Where is the nickel going? Some statistics in this connection were furnished at the request of the hon. member for Battle River (Mr. Spencer) for the years 1932 and 1933.

The return was given on February 5, 1934. The countries to which nickel was being consigned were as follows:

Country—	1932	1933
	(Hundredweight)	
United Kingdom	68,530	262,978
United States	165,344	419,023
Belgium		2,781
Germany	2,136	5,535
Japan	3,705	6,363
Norway	58,376	91,963

Other countries on the list are Australia, France, Italy, the Netherlands, Newfoundland and Spain.

The increased exports, particularly in the case of the United Kingdom, the United States and Norway, are striking. It was said at the time that this settled the whole matter, that undoubtedly all this nickel is going to four countries that were formerly allied countries. But I think we forget that nickel so imported may be reexported. Before coming to that may I point out that the total amounts exported to the twelve countries with which Canada did business during those two years are: in 1932, 320,719 hundredweight, and in 1933, 880,821; or, valued in dollars, $7,283,964 in 1932 and $22,795,968 in 1933.

The United Kingdom, the United States and Norway all reexported large quantities of nickel. Of the three only Norway produced any. In December last year the Hon. Mr. Runciman, chairman of the British board of trade, gave the following official figures for the reexport of nickel during the first ten months of last year. The reference will be found in British Hansard of December 5, 1933, pages 1462-3:

	Tons
Total imports	1,073
Domestic exports	3,955
Tonnage consigned to Germany—	
Germany	1,131
Japan	802
Soviet Union	523

And lesser amounts to France, Switzerland, Italy, Sweden, and other countries. Export figures for the United States and Norway are not available, but we learn that there were very large exports from both these countries.

If anything further were needed in regard to the very sudden increase in the production of nickel I do not think I could do better than give the most recent report published by the Canadian Press on March 19, the preliminary report of Ontario's mineral production, released by the Department of Mines:

> In 1932 only 30,327,968 pounds of nickel with a value of $7,179,862 was produced, but last year that total jumped to 82,264,658 pounds valued at $20,129,480 and it is indicated that practically all the nickel produced was exported.

[Mr. Woodsworth.]

In the Canadian figures and more particularly the United Kingdom reexport figures it will be seen that in the last few months Germany has been importing very considerable quantities of nickel. This is extremely interesting in view of the rumours floating all over Europe to the effect that Germany is secretly rearming. I have no wish whatever to create anything like anti-German sentiment or war hysteria, but if indeed Germany is rearming, we in Canada will have to take our share of the responsibility for making it possible. A comparison of German nickel imports from the United States during the years 1910 to 1914 with the present upward trend is revealing. Statistics furnished by the United States foreign commerce and navigation department show a rise of from 348,509 pounds in 1910 to 2,346,325 pounds in 1913. It is quite possible that all this was going into nickel coins or bathroom fixtures, but most of us will very much doubt whether that is a true explanation. In the year of the war imports of nickel into Germany jumped to 11,084,366 pounds. A similar trend is shown in the tables for manganese ore, tin, brass, sulphur, mica, graphite and crude asbestos.

Only last October considerable stir was created in newspapers across Canada by reports that a representative of one of the great German dye and chemical corporations was in Canada on his way to Sudbury to negotiate the immediate purchase of 10,000 tons of nickel matte. This huge order by a single company was almost equivalent to the entire Canadian export of nickel to Germany in 1933. When questioned by reporters the German representative of course ridiculed the suggestion that his proposed purchase might be connected with the rearming of Germany, a reply that seems to have been taken with a grain of salt by a great many of the newspapers, and, I think I may add, by the Canadian public generally.

But my purpose to-day is not to go into the probabilities of such shipments being used for war purposes. I content myself here with simply pointing out that if Canadians are in any way opposed to German rearmament or are in any way interested in the disarmament problem as a whole they may very well have an important voice in the matter. My resolution reads:

> Canada furnishes over ninety per cent of the world's nickel—

Mr. STITT (Nelson): Too high.

Mr. WOODSWORTH: Someone says that is too high. In the resolution I had on the order paper for several weeks I had placed the proportion at eighty-two per cent—

Mr. STITT (Nelson): That is better.

Mr. WOODSWORTH: —because I had taken the figures of the year book. But later figures furnished by the bureau of statistics show that it is almost precisely ninety per cent, so I have put the figure at ninety per cent in the resolution as it stands. My point is that Canada has a virtual monopoly. In 1929 she produced 49,320 tons of the total world production of 55,000 long tons, or almost ninety per cent. These figures can be secured from the bureau of statistics. There are other deposits in New Caledonia, India, Norway and Greece, and recently some discoveries have been made in Russia, but all these are insignificant in comparison with the enormous ore deposits in the Sudbury district, the total reserves of which have been officially estimated at 200,000,000 tons, or some 4,000,000 tons of metallic ore. This, it was stated in April of last year by R. C. Stanley, president of the International Nickel Company, would enable the industry to carry on production at its peak level for the next hundred years.

I realize very clearly that this is a big industry and that it would be a very serious matter to interfere in any way with the growth of such a Canadian industry. I recognize, too, that we have at the head of this industry certain directors who have very great influence in Canada. We also have shareholders who have certain rights, but I submit that in a national emergency the interests of private concerns or even of shareholders must be given a subordinate place to the welfare of the country at large. The shareholders may have certain rights; the Canadian public have greater rights and I cannot imagine even the shareholders, if they really believed that this nickel was going into the making of armaments which might be used to shoot down their own children, willing to take dividends so acquired. It would be blood money.

The practical question, however, is one of control. I would point out that control of nickel in Canada is not new. At the outbreak of the war Canada cooperated with the British government in controlling the export of the metal. By December, 1914, with the assistance of the nickel producers, a system had been worked out which was regarded as perfect. It is quite true that there were persistent rumours that it was not perfect, and we also have the undeniable fact that from some source or other large quantities of nickel did reach Germany, but the point is that in that emergency Canada did act and did attempt to set up control. Several times since the war the question has been raised. In February of last year, in reply to a question in the House of Commons, the Prime Minister stated that although all nickel was mined in provinces that had control of their resources it might be possible for the federal government to pass an export act. He did not go into the matter at all, and the question was dropped. That will be found in Hansard for February 22, 1933. More recently we had the visit to this country of two noted British publicists, Sir Norman Angell and Professor Alfred Zimmern. Both advanced the idea that the control of nickel was a necessary and thoroughly practical step, and both drew attention to the similarity of the problem with that of narcotic drugs.

The question, of course, is tied up with that of sanctions, and as to the efficacy of sanctions may I quote E. N. Hurley, the former president of the United States shipping board, at the meeting of the International Chamber of Commerce in 1930. He said:

> —any modern nation could be paralyzed by the refusal of business organizations in other countries to sell it the ten or twelve essential raw materials, such as iron ore, rubber, manganese, nickel, aluminum, newsprint pulp, copper, oils, tungsten, chronium and mercury.

Various concrete suggestions have been offered as to how these raw materials might be controlled. During the armistice Great Britain suggested the continuation of the control of raw materials supplied to the central powers, and recently this has been revived in a modified form. Sir Thomas Holland, in his presidential address to the British Association for the Advancement of Science in 1929, proposed that each country should add a rider to its Kellogg treaty with the United States giving its government the power, if and when necessary, to prohibit the export of mineral products to any country that breaks the peace with any other member of the pact. The very existence of any such power in itself would be sufficient automatically to enforce the submission of the matters in dispute to the international court of justice.

A detailed report showing the analogies between the narcotic drugs traffic and the trade in the manufacture of armaments has been drawn up by the secretariat of the League of Nations. At the seventy-fourth meeting of the general commission of the disarmament conference in June of last year a concrete proposal to limit the manufacture of arms and the trade in war material along these lines was made by Senor de Madariaga, the Spanish delegate. He said, first, that everything connected with the manufacture of and

trade in arms should be the sole responsibility of the state and, secondly, in exactly the same way as narcotics are controlled, that a national licensing system with supervision centralized at Geneva is necessary. It does seem to me that these suggestions by Senor de Madariaga, who for so many years has had such an influence at Geneva, who knows so intimately the workings of the league and who is so thoroughly conversant with international arrangements generally, should be taken very seriously. I think they are eminently practical. The general details of the plan drawn up by the secretariat and subscribed to by Senor de Madariaga will be found at pages 598 and 599 of volume 11 of the conference reports. Referring to this plan, the delegate said it would be seen that the problem had been studied and solved, and there was no reason why the commission should continue to waste its time and read voluminous reports. The only thing remaining to be done was to draft some comparatively short texts, sign them, ratify them and inaugurate the system. Mr. Norman Davis, United States delegate, stated that he was in substantial agreement with Senor de Madariaga's views and Doctor Riddell, who as everyone knows is Canada's official representative at Geneva, took the same view. His speech, as reported at page 602 of the conference reports, included these words:

> The conference for the limitation of the manufacture of narcotic drugs, 1931, at which Mr. Riddell had been one of the representatives of his country, had had a task somewhat similar to the one with which the general commission was at present confronted. Irrespective of whether it was under state or private control the conference set out to limit the manufacture of narcotic drugs to the world's needs.

I quote further:

> Once a limit had been fixed, in the draft disarmament convention, to the quantities of munitions and armaments which a country might possess, there would seem to be no insuperable difficulty in the way of applying certain of the principles laid down in the 1931 narcotic drugs convention to the trade in and manufacture of arms and munitions. The proposal to apply these principles to that problem, which had already received support from the Spanish and United States delegations, should, in the opinion of the Canadian delegation, be thoroughly explored, with the least possible delay.

I am glad that in bringing forward this motion to-day I am acting, I think, entirely in harmony with the suggestion of our representative at Geneva.

The question is as to what extent there should be control. I would not suggest the immediate cessation of all production or all export of nickel. That is quite unnecessary, and undoubtedly it would be highly disastrous to the industry. I think we may all admit that large quantities of nickel are used in ordinary industry and that under a system of quotas and licensing, shipments for industrial purposes could continue to be made. There is no doubt of that. I would point out that because of the very wide demand in the industrial field at the present time for nickel, unless war is actually declared and in progress a large proportion of all nickel imports into any country will continue to be used in industry. I am seeking to limit only that destined for the manufacture of war munitions. Undoubtedly we will continue to produce and continue to export. The nickel firms themselves assert that most of our nickel is to-day going into industry. Well then, if they are correct—and in this instance I should like to think that they are correct—a resolution such as the one I have proposed to-day would not affect them. Any control over nickel for purely armament purposes would not affect the ordinary trade. But if any large proportion of the nickel now being produced and exported from this country is ultimately finding its way into the making of munitions it seems to me that surely we have reached a stage in civilization when Canada ought to have some voice in the matter.

It is very doubtful whether it is possible to allow production of nickel to continue on the present unprecedented scale without a full inquiry into the whole situation. Surely if we in Canada do not find it possible to trace the ultimate destination of our nickel we, by calling in the assistance of the League of Nations and the various member nations of the league, would find it quite practicable to trace this nickel to its ultimate destination. In the past the Canadian government has given very considerable support to the mining industry and especially to the production of nickel. I need not go over the history of that. Surely if the Canadian government has done so much to assist this industry in the days of its earlier development it has the same right now, in a time of international emergency, to ensure that its control will come under an appropriate international body.

I know that there are a good many arguments which may be advanced against the proposal. I feel however that I may leave it largely to others to make those arguments. It may be said, in brief, that the league is very ineffective. May I point out that in this, as in other matters, the league can be effective only as it is given power. If the nations of the world hand over to it the

power to control the raw material in armaments that body would be as effective in the control of armaments as they have proved themselves to be in the control of the drug traffic. I know that even in connection with drugs the control has not been one hundred per cent perfect, but I think it has had most beneficial effects. In my view the same would be true if we would give authority to the league in regard to the raw material which goes into munitions. In the past Canada has played a leading and worthy role in the league. Now it seems to me that Canada has an unparalleled opportunity which might prove to be of very great significance. There is no use of us sending representatives to the league—as the country sent the Minister of Railways over last year—and our representatives adhering in a general way to the principle of peace, unless we are prepared, as a country, to implement our professions by some very definite and practical arrangements.

It may be said that the control of the nickel industry in the interests of the limitation of arms is unpractical at this late date, as already Germany and other nations have piled up their supplies. Well, I would point out that if that is so Germany and those other countries would not be seeking such large fresh stocks. Evidently they have not yet enough. The control of nickel too may be difficult, because there are other allied metals which should also be controlled. But I do not see that it would be impossible for a commission charged with power to work out the practical details involved. The control of nickel would go far at least to hamper the activities of huge and threatening war industries which seem to be on the way to driving the world to international suicide.

In conclusion may I urge that the vast majority of the Canadian people would agree that lethal weapons should not be manufactured and distributed without some sort of public control. We have already reached that point in our thinking, and we are very careful indeed as to who shall own arms within our own country. Surely the manufacture of war munitions and the raw material which goes into the manufacture of such munitions should be under state control. I think that as a country we have urged the public control of the actual making of munitions; why can we not go one step farther and urge that the raw material which is absolutely essential to the manufacture of munitions be placed under similar control. It is all very well for us to urge peace, but if world peace is to be maintained there must be some sort of international control over the instruments of warfare.

I know it is hard for the nations of the world to get over the earlier ideals of sovereignty. I know that even Canada, through her representatives, has said that we want to retain exclusive control over our raw materials. I do not think that such a position can finally be justified, and especially when it comes to materials essential to the manufacture of war munitions. It seems to me that sooner or later we shall have to adopt a larger view.

I am not bringing this motion before the house to-day with the idea that nickel is the one and only matter of importance in connection with the disarmament question. But I do think that because of our possession of nickel we have a right and a duty to act. I think we are placed in a position of strategic importance. Further, I frankly confess there are other factors which lead to war which are more important than munitions; I quite frankly concede that. In this war—if I may use the phrase—in this great war against war we must fight on a dozen different fronts; we must try where we can to correct glaring economic injustices; we must endeavour to promote a better understanding between the peoples of the various nations, but I urge that we must not neglect to do that which lies right at our hands, namely, to prevent the extension of private interests in the making of munitions which will ultimately be used for the destruction of human life. Let me repeat that it is not sufficient to say that we stand for peace; we must adopt those constructive policies that make for peace. The proposal advanced in my resolution may not be the most important matter, but it is one which lies within our powers to act upon. I should dearly like to think that in this matter Canada would take the lead. We are glad to think of Canada leading in a great many other things; we are glad to think of the large exports of all commodities which are made from this country; we are glad to think of the history of this country, but if Canada could do anything to give a lead to the nations of the world at a time when war threatens everywhere, it would seem to me to be our most glorious achievement.

Mr. THOMAS CANTLEY (Pictou): Mr. Speaker, this is the second outbreak of the hon. member for Winnipeg North Centre (Mr. Woodsworth) in connection with this ques-

tion. In the early part of this session he stated:

Undoubtedly a large proportion of the nickel mined in this country is destined ultimately for the manufacture of war munitions; I do not think anyone can seriously question that.

Well, I do. At that time the hon. member urged the government to take over the control of the export of nickel or, in the alternative, to make nickel mining a government monopoly. This misapprehension as to the importance of nickel in warfare was first voiced in this house in 1926 by that veteran, the hon. member for Labelle (Mr. Bourassa). As the hon. member has said, it was dealt with by me during the following year. Error dies hard and ignorance of the material facts in connection with the properties and uses of nickel persists. The hon. member for Winnipeg North Centre now takes up the hunt on a cold trail long since abandoned by the more experienced and practical member for Labelle.

May I again be permitted to set before the house certain facts with perhaps the vain hope of correcting the cherished delusions of the hon. member in the north-east corner of the house as to the value and use of nickel in the manufacture of munitions and the engines of war. It is surely a matter of regret that an hon. member of this house who is the leader of a party and who aspires to lead this dominion into a wider, safer, fairer and more prosperous existence, should not be better informed. May I suggest that he should refrain from such exhibitions of fundamental ignorance as were evidenced in this house a few weeks ago and again to-day.

But Mr. Speaker, it may be asked: Why the increase in the exports of nickel? This increase has been due to the revival of world trade and to the fact that the research work of the metallurgical experts of the nickel corporations has demonstrated that ordinary cupola or common gray iron castings can be toughened and strengthened greatly by the addition of from one to one and a half per cent of nickel. This discovery is largely, although not wholly responsible for the recent increased use of Canadian nickel. It should be noted that this increased use is not for war materials; it is being used in the arts of peace, in the construction of structural materials, machine parts, engine construction and a thousand other things which require the use of moulded gray iron castings and steel forgings. I would remind the hon. member and the house that the International Nickel Company is a great Canadian industry whose products reach the whole industrial world. Ninety-eight per cent of those products are used in the arts and materials of commerce and not of war. The hon. member has stated that six per cent is used for munitions, battleships and other agencies of war, but I venture to say that the correct figure is under two per cent.

Zeal without knowledge is perhaps the outstanding characteristic of the leader of the Canadian Commonwealth Federation. He seems to be obsessed with the idea that nickel is essential to war operations, but may I tell him that copper is many times more important. Germany's experience during the late war gives ample proof of this fact. During that war the Germans stripped the copper roofs from every church cathedral and other building in Germany, and Belgium, and everywhere else where they could get at them. They melted down their church bells and they hunted up door and lock knobs and every other piece of copper available. Why did they do this? Simply because copper was at that time fifty times more important than nickel. The driving bands of their shells of every calibre were made of copper as long as that commodity was available, but when during the latter two years of the war they finally had to turn to the use of soft iron, the result was that a gun which would ordinarily fire three hundred rounds with one rifling was worn out after twenty or thirty shots had been fired. The importance of nickel, so far as munitions were concerned, was a mere bagatelle compared with copper. So much as to the military value of nickel.

In the matter of rayon production, nickel enters the picture because caustic soda used in rayon manufacture is too corrosive to be handled in any of the usual metal containers. These are now being constructed of nickel clad steel. Then if we turn to telephone communication we find that here nickel iron alloys which are highly magnetic fulfil a special function, particularly in connection with long distance transmission.

We find that the present growing standard practice for the construction of railway equipment calls for nickel alloyed steel boiler plates, locomotive frames, side frames, side rods and other component parts of the modern locomotive. The construction of modern passenger equipment also now calls for a certain proportion of nickel. In the automotive field, the average amount of nickel in a car produced five years ago was 1.6 pounds, but during the last three years the amount of nickel so used has doubled and now amounts to more than 8,000,000 pounds, or more than double the amount used ten years ago. The nickel used in 1933 in manufacturing the products of the rolling mills of England,

Scotland and West Virginia, and the foundries of Bayonne, New Jersey, amounted to 13,003,474 pounds. This is roughly 6,500 tons, an increase of thirty-five per cent over the previous year, 1932.

The post war developments which have taken place in the nickel industry have proved to be of invaluable help not only to railway operations but to practically all the mechanical arts. The demand for nickel for arms and armaments is but a mere bagatelle when compared to the demands of industry generally. Notwithstanding these facts, I am afraid that the hon. member for Winnipeg North Centre and perhaps some of his disciples will still maintain that the chief use of nickel is in the production of armaments.

Mr. WOODSWORTH: I am sure the hon. gentleman will admit that I said that.

Mr. CANTLEY: I regret that I cannot hear the hon. gentleman distinctly, but I do not know that it makes much difference.

I would point out that in the calendar year 1913 Canada exported 253,056 tons of nickel. Let us see where this nickel went. The United Kingdom took 14,721 tons; the United States took 23,465 tons; the Netherlands took 4,995 tons; Norway, 5,150 tons; Japan, now supposed to be a very warlike nation took only 356 tons; Germany took 320 tons; Belgium took 156 tons; Italy took 139 tons; France took 26 tons, for armaments, if you please; Australia took 3 tons and Newfoundland 330 pounds.

Canada is not the only country in the world producing nickel. Up to thirty or forty years ago New Caledonia supplied the great bulk of the nickel used in the world, and that was supplemented by a certain quantity from Norway, where the only refining of nickel in the world was carried on at that time. Referring again to the figures I quoted in regard to the importation of nickel last year by the countries mentioned, it will there be noted that the so-called militaristic countries, France and Germany, are among the smallest importers and users of the eleven indicated. But that fact will doubtless have no tendency in any way to dispel the hallucinations of the hon. member who has just spoken. These are the simple facts in regard to nickel. I ask this house, Mr. Speaker, why the government should take any action to lessen the export of nickel to any country in view of the undoubted facts I have already submitted, facts which cannot be controverted by the hon. gentleman or anyone else; for facts are chiels which will na ding. I thank the house for the kindly attention given me.

Mr. J. R. HURTUBISE (Nipissing): I fully concur in what has been said in reference to this question by the hon. member for Pictou (Mr. Cantley). I listened with a good deal of interest to the speech of the hon. member for Winnipeg North Centre (Mr. Woodsworth) who has quoted so many large figures in regard to the production and export of nickel. The hon. member advises the control of the export of nickel from Canada, but after all he has said I fail to see how we could control the exportation of nickel in so far as armaments are concerned. According to the figures I have, it is evident that nickel production had been very high until the depression came. At the time of the depression it took a slump and then came up again owing to the demand, not for armaments, but for the various industries in the different countries. When the depression came the International Nickel Company considered it a good time, after having made necessary experiments, to search for new fields for the employment of nickel. They exhibited to the different nations the results of the tests they had made with nickel and started to develop the product, so that soon after the depression had come on we saw in the various countries an increasing demand for the use of nickel in the industrial field.

The hon. member for Pictou has mentioned many of the uses of nickel and the comparatively small amount used for armaments. I think he is quite correct and I fully concur in what he says.

In his speech at the close of the fiscal year 1932, Mr. Robert C. Stanley, president of the International Nickel Company of Canada Limited, referring to the search for new uses for nickel, made this statement:

> In this search for better products, nickel in combination with iron and steel and with nonferrous metals as well, has come to be a common denominator of the move towards alloys. Thus a metal which once was dependent on armaments for its market and which later won a great market in the post-war expansion of automobile production, now is enjoying increasingly diversified commercial applications throughout world industry . . . an important reason for the improvement has been the increased industrial activity stimulated by the NRA in the United States which consumes more than half of Canada's production of nickel. . . .

In 1929 the world consumption of nickel was 112,481,600 pounds; in 1932 it was 49,500,000 pounds, and in 1933 it was 77,609,280 pounds. In 1932, when there was a world consumption of 49,000,000 pounds, more than half of the nickel was exported to the United States where we find the greatest industrial centres.

As the hon. member for Pictou has said, the greatest use for nickel is as an alloy in the different industries. The hon. member for Winnipeg North Centre referred laughingly to the amount of nickel used in hotels, restaurants and breweries; he did not use these words, but I believe he was referring to consumption of nickel along these lines. Perhaps I might point out some of the uses to which the metal is put. For instance, to-day it is used almost exclusively in breweries as in many other industries because it is rustless; it is not as easily corroded as other metals. It is therefore used in filter streams, pump rods, coolers and other equipment. Again, it finds to-day an almost exclusive use in hotels and restaurants. It is used in the dairy industry and in connection with farm implements and household furniture, as well as in sinks, kitchen cabinets, gas and electric stoves, storage tanks, boilers and pans of various descriptions. The automotive industry is using it in considerable quantities as an alloy. It is used, too, in the marine field, and in airplanes. It might be worth noting that nickel is also used in twenty-seven countries for coinage, some three billion pieces of nickel weighing fourteen thousand tons having been produced. These figures would appear to be small in comparison with the total production. But if we consider the great development of industry to-day and the quantity mentioned by the hon. member for Winnipeg North Centre as the total consumption, there is very little left for armaments. When he expresses fear as to the exportation of nickel being for the purposes of armaments I think, as was mentioned, it is only a nightmare. The International Nickel Company have men intelligent enough to see that their production of nickel is not going for armaments, because they know very well that in that case the exportation would be curtailed forcibly sooner or later. That is why at the time of the depression they had throughout this and other countries great advertisements in regard to the new uses of nickel, and those advertisements proved very effective because in those fields there is a greater demand to-day than ever there was.

Personally I do not see how the government could control the exportation of nickel, because the greatest demand is for the purposes of industry, and if the export were controlled, it would hurt one of the biggest industries we have in this country. We must remember that before the depression this company was employing 7,000 men. The number was reduced to as low as 2,000, but to-day it has risen to 4,700. I believe the control of exportation of nickel would cause embarrassment to that company and would produce an effect contrary to that which the hon. member for Winnipeg North Centre wants, because it would increase unemployment. Therefore I hope no embarrassment will be caused to that industry, and we can have faith in the ability of the intelligent directors of that company.

[Mr. Hurtubise.]

Mr. B. M. STITT (Nelson): Mr. Speaker, at the outset I wish to make it very clear to the hon. member for Winnipeg North Centre (Mr. Woodsworth) that any criticism I have to offer is not in any sense of the word personal. I think, however, his resolution is ill-timed and does not reflect on his part very much study of the nickel industry. It is true that in the early stages of that industry it depended almost entirely upon the manufacture of armaments. But that picture does not present itself to-day. After the war the nickel companies put their metallurgists to work, spending a million dollars or more a year—and they are still doing this to-day—to find new uses for that metal. Consequently ninety-six per cent of all the nickel used in the world goes to industry.

The whole argument of the hon. member for Winnipeg North Centre was based on the assumption that all we have to do to end war is to prohibit Canada from exporting nickel.

Mr. WOODSWORTH: May I suggest I expressly stated that that was not my position.

Mr. STITT (Nelson): Well, that was my interpretation. I have always been of the opinion, in fact my information is to the effect that in Canada we produce eighty-five per cent of the nickel of the world, but I am quite willing to accept the hon. member's statement that we produce ninety per cent. Even at that, only four and a half per cent goes into armaments.

Mr. CANTLEY: Not half that.

Mr. STITT (Nelson): Ten per cent of the nickel production of the world is outside Canada.

Mr. WOODSWORTH: Might I ask the hon. gentleman where he gets the information that four and a half per cent goes into armaments?

Mr. STITT (Nelson): I got it from the Department of Mines.

Only recently Russia stated that large bodies of nickel bearing ore had been discovered in that country. Does the hon.

member for Winnipeg North Centre for one minute think Russia would not export nickel if she got a chance after she had developed those deposits, refined the nickel and was ready to export? Surely he would not go that far. The figures given by the hon. member for Pictou (Mr. Cantley) would appear to indicate that the country in the far east about which the hon. member is worrying most in regard to war is about the lowest user of nickel in the whole list. It has been stated, and it is quite true, that fifty per cent of our production goes to the United States and about twenty or twenty-two per cent to Great Britain. The hon. member enlarged somewhat on our great exports to Norway. It is evident again that he had not studied the situation very much or he would have known that one of the large nickel producers in Canada, the Falconbridge Mining Company, owns a refinery in Norway and does all its refining there. That is the reason such large exports go to Norway; the Falconbridge Mining Company sends its whole output there to be refined.

Mr. WOODSWORTH: Yes, and to re-export.

Mr. STITT (Nelson): From there no doubt it is distributed to wherever they can find purchasers, but I do not think the hon. gentleman has any right to presume that the output of that nickel refinery in Norway is going to Japan or Russia or any other country to be used for armament purposes. If he wants to prevent war, why stop at nickel? Napoleon once said that an army fights on its stomach. Why not stop the export of wheat?

The hon. member for Pictou enlarged on the subject of copper, and I agree with him that copper is very much more important than nickel so far as the manufacture of armaments is concerned. Why not stop the manufacture of meat, clothing, boots, shoes, lead, zinc and other items I could mention that are used in war? I do not need to remind the hon. gentleman that wars were fought long before nickel was produced and will be fought again even if the production of nickel is prohibited. In no time science would find a substitute for it. I have been through a couple of skirmishes in a couple of wars, and if I have to be shot to-morrow, I would very much prefer to be shot by a nice clean nickel bullet than by one of those old lead balls, if the house wants to get down to the human side of this matter.

Nickel production is one of our most important industries. It suffered, of course, during the depression along with all other industries, and has recently started to pick up, due to the fact that all other industries in the world have also started to improve. Industries are increasing their production by the help of the N.R.A. in the United States, and probably, to some extent, by similar methods in Great Britain. What do we find in connection with this great industry in Canada? I have the figures for only ten months and I find in ten months the industry paid out:

Wages and salaries..	$7,700,000
Capital expenditure..	2,580,000
Supplies and upkeep..	6,650,000
Railways and utilities..	3,300,000

In the last seven years it has paid out in plant and equipment $55,000,000, and it uses in its mines 2,000,000 feet of Canadian lumber per month. Surely as the leader of a great party—I do not think it is a great party but I expect the hon. gentleman does; he would be a poor leader if he did not—as leader of a party that is continually damning this government for not finding work for our unemployed, the hon. gentleman must see that this resolution is ill-timed, and, I think, should be withdrawn. I do not know how he is going to face these workingmen in the town of Sudbury where, as the hon. member for that riding just told you, about three-quarters of the miners have for the last four years been almost on the verge of starvation, a lot of them on relief. The industry now is just getting back its stride and starting its men back to work. Surely the hon. member as a labour leader does not want to do anything to cripple that great industry and drive the business to some other country. Because it is very clear that if only 4½ per cent of Canada's exports of nickel goes into armaments, other countries capable of producing 10 per cent of the nickel supply could provide the nickel needed for armament purposes. I know the hon. member has achieved his objective in getting this material before the house. I am not questioning his sincerity for one moment, but I think the resolution has served its purpose and I hope he will withdraw it in the interests of that great industry that means so much to Canada.

Mr. J. F. WHITE (London): I have been quite interested in the discussion of the resolution presented by the hon. member for Winnipeg North Centre (Mr. Woodsworth). I believe that every member in the house will pay tribute to the honesty of the hon. gentleman in bringing this resolution before the house—

Mr. LAPOINTE: Hear, hear.

Mr. WHITE (London): I think his honesty of purpose is unquestioned, and his interest in humanity. Also I have every sympathy with his efforts to prevent the further manufacture of armaments. But, sir, I cannot see that the idea he has presented will have much influence on the manufacture of armaments or on wars which may occur in the future. As to the desirability of curtailing the manufacture of armaments, we need no other evidence than was presented in this city last week when the annual convention of the Canadian Legion was held here. No man could go to that convention, or see the members of the legion going about the streets, and not come to the conclusion that war is hell.

The hon. gentleman has assumed in his discourse that most of the nickel produced comes from Canada, 90 per cent he said, others say 82 to 85 per cent. He has assumed that most of it is used in armaments and things of that kind, and for that reason he proposes to forbid its export.

Mr. WOODSWORTH: Oh, Mr. Chairman, not all nickel; I expressly said merely nickel to be used for armament purposes.

Mr. WHITE (London): I understood the hon. gentleman to say just what he has said now. But the question arises, can we prevent the export? We have 85 per cent of the world's nickel as at present known, and there is a very considerable world demand for this product, no doubt developed by the International Nickel Company metallurgists and the results achieved by the users of nickel. The question of forbidding the export for armament purposes may be a very serious one and lead to international complications; but I do not intend to proceed further with that. The main question, it seems to me is, would the prevention of export have the desired effect? The hon. member for Pictou (Mr. Cantley) has shown on other occasions and again to-day that there are other alloys that can be used in the manufacture of steel which produce the same qualities as nickel. The argument has been advanced: "Perhaps so, but it will cost more." But our experience in recent years has shown that the cost of war is not a very great consideration while the war is being conducted; that comes later. The quality which is given to steel by the use of nickel is toughness, practically that only. Other alloys are used to secure other effects. I have the report of the International Nickel Company for the year ending December 31, 1933, in which they say in part that the improvement in sales—

has been well spread among all consuming fields and that nearly every buyer took more nickel than in 1932.

Then it goes on to cite the world's consumption in various years. It also refers to the uses to which nickel is put. Then I quote the following passages:

The channels through which nickel has passed to the ultimate consumer have continued to be mainly those industrial applications, either old-established or of more recent development, which have been the principal support of the industry since 1921. Many of the more recently developed uses for nickel have, however, made even greater strides during 1933 than the industry as a whole. . . .

The automotive industry was the outstanding consumer of nickel steel in 1933. . . . Nickel steel has been used in other fields as well,—in locomotive equipment particularly in Europe, in oil-drilling and oil-refining equipment and in the machinery field generally. Several thousand tons of 3·5 per cent nickel steel are specified for the new San Francisco-Oakland bridge. . . .

Under the stimulus of orders from an important railroad, nickel steel boiler plate is now manufactured in Great Britain, and this has led to the adoption of nickel steel by another leading British railroad. . . .

The amount of nickel in use throughout the world for subsidiary coinage was increased quite substantially in 1933. Three new governments, those of the city of Danzig, of Iraq and of Japan, were added to the list of those which have issued such coins, comprising now some 27 countries in all. . . . It is estimated that there are now about three billion pure nickel coins in circulation, employing about 15,000 tons of nickel in all.

So that you will see, Mr. Speaker, that there are many uses for nickel. There is a further feature, that nickel once incorporated in steel always remains. In that fact is a partial answer to the question propounded by the hon. gentleman who introduced the motion as to what happens to nickel. He quoted figures to show that the termination of the war was accountable for the drop in the sales of nickel. I offer another reason for that; I think it is largely owing to the fact that scrap material had been gathered from all the battlefields of Europe, and re-melted, and as I said, the nickel content always remains. Further melting or manipulation in the way of rolling and so on causes very little disappearance of nickel, in fact nothing like the percentage that disappears of the steel itself. So we have the presence of scrap containing nickel which on many occasions helped certain countries over a hard spot in their need for nickel. Nickel is used largely in automobiles; automobiles are scattered throughout the

world, there is always an export trade going on in automobile scrap which is a source of supply of nickel steel. Nickel is also used in heat resisting metals, for purposes such as locomotive grate bars and things of that kind. It is impossible to keep track of nickel after it has once been put into steel.

Now, sir, it seems to me that in view of all these facts the adoption of this resolution would have a very damaging effect on Canadian industry. To begin with, we cannot prevent wars, we cannot prevent war material being made even if we curtail the export of nickel. But we should consider the amount of work being done and employment being given in Canada by the International Nickel Company and the Falconbridge Company. I suppose the hon. member for Winnipeg North Centre (Mr. Woodsworth), being a labour representative, will appreciate these figures, though perhaps he may not appreciate my first statement. Roughly speaking there are one hundred thousand shareholders of the International Nickel Company. According to the last report the company has 8,300 employees, of whom 4,800 reside in Canada. The company has plants in the United States and in England. Even to curtail the export of nickel would affect Canadian industry as a whole and, as I have said, would not achieve the desired object.

Something has been said with regard to the different countries that import nickel. During the last year the United States has been our best customer, with the United Kingdom next. There are two countries whose exports of nickel cannot be tagged. The hon. member for Nelson (Mr. Stitt) I think referred to the fact that the Falconbridge Nickel Company refined their ore in Norway. My information is that in its early development the Falconbridge Company endeavoured to have the International Nickel Company refine its ore in Canada. The International Nickel Company were not particularly interested in helping to develop the property and business of a rival, and the two companies could not come to any arrangement in that regard. About that time, owing to the exhaustion of certain ores in Norway, a nickel refinery was for sale or for rent, and I am told that the Falconbridge Nickel Company rented or in some way acquired this refinery and with it certain very desirable processes in the refining of nickel. So any exports from Norway really are Canadian nickel sent out in the raw state, refined in Norway and then shipped to wherever they can be sold. It may be that, therefore, the nickel which goes to the Netherlands and to Norway may ultimately find its way to the countries of Europe that are perhaps interested in the development of armaments. The bald fact remains, however, that the United States and Great Britain are the two countries that consume the greater part of the nickel produced in Canada.

Now I should like to say a word as to the actual object of this resolution. I do not believe anything can be done along the line desired by the hon. gentleman through the reduction of exports. I do think, however, that a great deal can be done by constantly advocating that the governments of the various countries take over the production of war material. I think it is a great mistake to have private enterprise interested in such production. We have heard from many quarters that disputes are fostered and animosities engendered all for the sake of business. If the various manufacturing countries of the world would take over the manufacture of all armaments and war supplies I think a great forward step would be taken in the promotion of peace. How far our present machinery will carry us in that direction I am unable to say. The League of Nations has done some good, perhaps, but in many instances it seems powerless to prevent conflict. Perhaps a rejuvenation of the ideas which prompted the establishment of the League of Nations might have some effect; I believe it would, and I am glad to know that the influence of the League of Nations has been sufficient to bring about renewed interest on the part of the people of this country, and incidentally the people of my own city, in the reduction of armaments and the ultimate elimination of war.

Mr. A. E. ROSS (Kingston City): Mr. Speaker, I wish to take just a few moments to discuss this matter. I believe the hon. member for Winnipeg North Centre (Mr. Woodsworth) is quite sincere in introducing this question, but his amendment means nothing unless back of it is the idea of lessening the possibilities of war. I think that must be the whole purpose behind it. So far the arguments have been that the export of nickel cannot be prevented without crippling the industrial activities of a great many countries, and in these days that is not desirable. We must bear in mind the important fact, however, that armaments are no longer produced in arsenals; to-day countries do not depend upon local arsenals for the production of armaments.

Last year, Mr. Speaker, I gave a short talk here as to the nature of a modern war, and I pointed out that the next war would be determined by air activities. In that connection nickel will play a very small part indeed.

The supplies for the next war will come from the materials used in the industrial life of all countries. Glycerine, which is used in the manufacture of soap, is one of the necessary ingredients of explosives; benzine, which is used in a great many factories, is the source of some gases; picric acid, another explosive, is a product of chemistry and is used in so many industrial processes that it could not be controlled. So I think these materials deserve far more attention than nickel, and that is why I say that if the amendment is not based on the idea of reducing the possibilities of war, it means nothing.

In the next place, I do not think you will get very far unless you can get all the nations interested. At a meeting of the nations before the great war it was resolved that bombs and gases should not be used. Great Britain and Germany signed that pact, but the United States refused to sign, and when the move was not unanimous nothing resulted. To-day, however, poison gas and aeroplanes are the important elements of war, and nickel has no part whatever in their production.

I rose principally, Mr. Speaker, to refer to a point which was raised by the hon. member for Nelson (Mr. Stitt). Perhaps I have seen more destruction and more wounded men than any man in the house. I have seen 5,900 cases go through our hands in one day. If you are going to have war you must remember that nickel is one of the most humane things that can be used. Before the introduction of nickel we had nothing but lead bullets; to-day the nickel-plated bullet is one of the most humane instruments of warfare. To show how slight is the damage that can be done by a nickel plated bullet I need only point to my finger; it was struck by a nickel plated bullet. I have seen a wounded man who was struck by a nickel plated bullet; it went through the bone and left a hole but did not cause a fracture. I have risen to say simply this, that science which produces so many destructive things has also produced industrial activity, and I say that we cannot have a great mass of destruction without chemical factors behind it. Here is one factor which is humane in its use, and it would be a sad day for us if we had to return to the old lead bullet, if we could have the protection and the possibility of lesser injury from the nickel plated one.

Nickel-plated armaments to-day are positively out of date. The nickel-plated and steel-protected cruisers about which hon. members have been talking, are obsolete. The amount which would be spent in building a battleship or a cruiser would to-day build hundreds and hundreds of aeroplanes. No nation to-day having in mind the possibilities of modern warfare is using the same number of nickel-plated cruisers and battleships as it used before.

In conclusion may I say that the motion now before the house amounts to very little, so far as the prevention or possibility of war is concerned. The day of the steel cruiser is past; the armoured train is gone; the old guns are out of date. Infantry travelling along at twenty miles an hour is out of the picture altogether. The tank which was used in the late war is obsolete, when it is faced with the potential strength of aerial activity. The air battleship which can race upon its enemy at the rate of 150 miles per hour is taking the place of all these things, and removes the necessity for heavy expenditures on nickel. I believe that if we tried to understand the attitude of the people, and remembered, that year after year conventions, leagues and other bodies are trying to prevent war, and that those who have suffered more than others are definitely opposed to modern warfare, we might accomplish something.

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, with the purpose which the hon. member for Winnipeg North Centre (Mr. Woodsworth) has in mind, I am in deep sympathy, and I am sure every hon. member in the house is sympathetically inclined, although some may differ as to the effectiveness of the means he has suggested. There is no hon. member for whom I have more affection than the hon. member for Pictou (Mr. Cantley).

Mr. CANTLEY: Thank you.

Mr. LAPOINTE: He told me on one occasion that although he could not share my views and did not like some of my opinions he had a sneaking affection for me which I heartily reciprocate. But my hon. friend is a man who holds strong views of his own, and one who is rather impatient of views different from his own. I believe all hon. members will agree, however, that the hon. member who has moved this resolution is sincere, and that he devotes much thought, energy and activity to the solution of the problems he has at heart. I believe the difficulty is one of facts. As a member of the national executive of the League of Nations Society may I say that this question was discussed at the annual meeting held last November, and upon that occasion the same difference of opinion occurred as has been expressed to-day. We had received resolutions from different associations throughout Canada asking that a resolution similar to

the present one should be adopted and sent to the government. One member of the executive, who is a scientific expert, took the view which the hon. member for Pictou has expressed, and said that to state that the great increase in the export of nickel which has taken place in recent months was due to the increase in armaments, was not in accordance with the facts. Secondly, if nations or manufacturers of armaments were deprived of using nickel they have substitutes which they could use in its place. The result was that the national executive adopted a resolution asking the government to investigate those various questions concerning the production and export of nickel. I suppose the investigation is still taking place, because to my question of yesterday as to whether or not a report had been received the reply was in the negative.

I agree with the hon. member for Kingston (Mr. Ross) that to be effective a move of this kind should be the subject of an agreement with other nations; there should be international agreement. In that respect the fact that Canada is the largest exporter of nickel in the world gives her a position of great influence in any conference or any meeting where the question might be discussed. I am in agreement with the view expressed in a remarkable study by Mr. Escott Reid entitled Canada and the League in which he states with regard to this particular matter:

> In order to show her good faith, however, Canada should state that she is willing to accept such international regulation of the nickel industry as the permanent disarmament commission considered desirable.
>
> The permanent disarmament commission might recommend that it should, from time to time, for each country, set an annual quota of so many hundredweight of fine nickel for all purposes, industrial, monetary and armaments. The commission could grant permission for imports in excess of this quota on proof being furnished that the increase was desired for purposes other than the manufacture of armaments. Under such a scheme export from all countries would be by licences similar to the licences granted for the export of narcotic drugs. The annual world production of nickel might also be set from time to time and each producing nation be given a quota. Canada, would, of course, be given about 90 per cent of the total world quota.
>
> A similar control might be exerted over other raw materials essential to the manufacture of munitions such as manganese, tungsten, tin, chromite, mercury and mica. This control in the interests of disarmament might be made part of the general international control over the distribution of raw materials, which has already been recommended.

The hon. member for Winnipeg North Centre, at the conclusion of his remarks, rather adopted that view and stated that international control is most desirable. I think it is not only most desirable but it is the only way to reach the goal we have in view. As to the private manufacture of armaments of course, we, in common with other member nations of the league, have all said, in the covenant of the league we agree that the private manufacture of munitions and implements of war is open to grave objection and that the council shall advise how the evils attendant upon such manufacture can be prevented. On various occasions Canada has expressed its unanimous support of the control or even prohibition of the private manufacture of armaments. This matter is now before the league. In his motion the hon. member suggests that we should request the League of Nations to set up the necessary machinery. This question has been discussed most extensively by both the council and the assembly of the league, and the matter is still before these bodies. In 1931 the council adopted a resolution which linked up this question with the questions to be discussed at the disarmament conference. I am glad that that conference has not been abandoned entirely, as my hon. friend suggests; I have hopes that it will be revived.

I was glad to hear the hon. member for London (Mr. White) express himself so emphatically in favour of the control of the private manufacture of armaments. Canada has expressed herself as being in favour of such control and has given a leadership to the world. I must say with some regret that apparently the British representatives at the conference were not so enthusiastic as those from Canada. France and other countries have expressed themselves as being in favour of such control and I think Canada should exert her influence to convince the other members of the British commonwealth of nations. We did convince them in connection with the acceptance of the optional clause of the statute setting up the court of international justice. Great Britain was very reluctant to accept this clause but Canada urged that it should be accepted and it was finally accepted by Great Britain and the other members of the commonwealth. This demonstrates that action by Canada may have some influence and a great deal of effect upon the other countries of the commonwealth. I think Canada should express herself in no uncertain terms on this question, and I am sure such action will have good effects.

There is no doubt that the private manufacture of armaments is an evil, and this is stated in the covenant of the league. One has only to remember what has taken place during recent years. Everyone regretted the civil war which took place in China but the manufacturers of armaments were competing with one another to sell the munitions with which that war could be carried on. The same thing happened recently in the conflict between China and Japan. Nations were quarrelling with one another in their efforts to sell their armaments at the highest possible price. This is an evil which all nations should combine together to end.

I desire to congratulate the leaders of the nations for the work they have done, especially during the last few months, for the promotion of peace. The New Year's message of the Prime Minister (Mr. Bennett), issued jointly with the leader of the opposition (Mr. Mackenzie King) and the hon. member for Winnipeg North Centre (Mr. Woodsworth), has done a great deal of good in Canada and has offered a great inducement to all those who would work in harmony for the promotion of peace. I desire also to congratulate the hon. Minister of Railways and Canals (Mr. Manion). I have listened with great interest to his speeches over the radio; although I do not attend the meetings at which he speaks—perhaps he forgets to invite me—I have read the reports and I realize that during the last few months he has done a good work. I should like to see something practical done, something which would signify to the league and to the world that Canada has taken a stand and is more than ever willing to help to promote international control of armaments. I hope the government is investigating all the phases of the production and export of nickel and will let the house have all the facts before the end of this session.

Hon. W. A. GORDON (Minister of Mines): Mr. Speaker, I have listened with a great deal of interest to those who have addressed the house on this resolution. I do not think I need dwell upon the fact—I think it is a fact—that no hon. member of this house and but very few people throughout the country desire to see an occasion arise when difference between nations must be adjusted by force. I regret that there is a vocal class—I make no reference to any hon. member in this house—not only in this but in other countries which is constantly talking about war. It would seem that those who were farthest removed from actual contact with the last war are perhaps more vocal than those who were actually concerned with it. Many hon. members are returned soldiers, but it is rarely indeed that we hear any reference to war made by any of them. If you attend the meetings of the Canadian legion you will not find any member talking about war or the fear of war. Their minds are turned to the betterment of their fellowmen through the channels of peace. I cannot help but observe that it would be much better if the newspapers and public men of this country would desist from talking about the fear of war and things of that character. They should devote themselves to the advancement of the position and the condition of their fellow men instead of creating fears and anxieties in the minds of the people.

With respect particularly to this resolution, if I thought that the prohibition of the export of nickel would result in the abolition of war or the postponement of war, then I most certainly would vote for the resolution. But would it? Are we not just playing around with the larger question? The hon. member for Winnipeg North Centre (Mr. Woodsworth) described a battleship with fourteen inch armour toughened by the introduction of nickel, which would protect those on board against destruction from huge shells. It is curious, if that would be the effect, that we should even think about banning the export of nickel. I would say, let everybody have nickel and save everybody, rather than ban it at all. The hon. member for Nelson (Mr. Stitt) says that wars were fought before nickel was ever heard of, very destructive wars, and I have no doubt that is true; and again I say, following the observations of the hon. member for Quebec East (Mr. Lapointe) that if we are to make any considerable impression, if we are to make advances in international affairs that have to do with war, then let the League of Nations or any other international body pursue its course and bring the nations together, and, if they are driven to the point where by international action they think that they can stop war by the prohibition of the export amongst the nations of the instruments of war, let them do it. But without international action how is it possible?

We have of course a great industry at Sudbury and mills in other parts of Ontario, and there are mills in Britain and in the United States that have to do with the refining of this metal, and so far as I can learn from the best informed sources, at the outside there is not more, some say less, than probably four per cent of the nickel going into armaments. Now, it is well known that

a much greater percentage than that is produced outside Canada over which Canadians have no control. The development of the nickel industry in this country has gone on for a long period of years and huge expenditures of money have been made, many hundreds of millions of dollars; and until very recent years the fate of that industry was by no means bright. A huge sum of money has been lost in the development of the industry because the science of metallurgy had not solved the intricate questions associated with the development of nickel alloys that could be turned into the arts of peace.

The International Nickel Company of Canada since 1922 have devoted a considerable annual sum, probably more than a million dollars, to the development of metallurgical practices designed to discover nickel alloys that could be used successfully in industrial life, and great advances have been made in the last half dozen years. It is one of the large and major individual units of industry in Canada. The city of Sudbury is totally dependent upon its success. When the nickel industry is prosperous many thousands of Canadian miners are prosperous; when the nickel industry is prosperous it provides a great sum of money yearly—the figures have been mentioned and I will not go over them—in our transportation business. Last year the nickel company at Sudbury consumed 90,000 tons of Nova Scotia coal. This coming year I am hopeful that the nickel mines at Sudbury and the refineries and smelters there will consume over 135,000 tons of the same coal.

The development of the Sudbury nickel field and the practices in the refining of their ore, as well as their mining practices, have been so perfected that there is little fear to-day that the other known nickel deposits of the world will be developed. But there are other nickel deposits outside of Canada, apart from Caledonia and some places in Europe. There are known nickel deposits in Russia. Supposing we, by some governmental action, put a ban on the activities of the International Nickel Company, of such a kind as would inspire the Russians to develop in their country nickel mines and refineries: I wonder whom we would send there as emissary to convince the soviet that they should adopt such an altruistic course as has been suggested.

Mr. CANTLEY: The member for Winnipeg North Centre.

Mr. GORDON: No, I would not say that; but we should have to search with care to find anyone in this country who would be able to convince the soviet that they, with their nickel production, should adopt the course suggested in this resolution.

Mr. WOODSWORTH: May I point out to the minister that it is not suggested in any way that nickel production would cease at Sudbury.

Mr. GORDON: That is quite true; but once let a government start on the course suggested in this resolution and I greatly fear that we should find the business of that company seriously hampered, because there are so many people uninformed concerning the activities and hazards that surround that business, that one thing would lead to another. I say this because of the obvious difficulty, if not impossibility, of identifying the nickel that actually goes into armaments. This is probably the first time since I have been a member of the house that I have ever referred to a newspaper, but I have before me a clipping from the Northern Miner of November 23, 1933. This paper which is published in Toronto, is certainly the oldest mining paper in Canada if not on the continent. Discussing this question, it says in part as follows:

> A part of the Canadian public has seized on the erroneous idea that nickel is some sort of sinister metal when there is war talk. People profess to become alarmed, even somewhat horrified, over the prospect of this country supplying metals to belligerent nations and they speak of restricting or controlling production and exports of a metal of which Canada has a practical monopoly.
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> Actually nickel is not half as important in war operations as copper. In the last great war there was not nearly the employment for nickel that had been anticipated. Significantly, nations that could not secure it in quantity got along well enough without. Germany was practically shut off from supplies and the war-making of that nation lingers in the memory.
>
> The principal war use for this war metal in the great conflict was as a covering for lead bullets that would have torn our troops to pieces unless so protected. It acted in a merciful rather than in a sinister role. It deserved a red cross.

That is probably in keeping with the observations made by the hon. member for Kingston (Mr. Ross). The article continues:

> How could war be conducted without copper, lead and zinc? They are absolutely essential metals in war operations. Has there been any talk of restricting production or export of these metals in time of war? Certainly not.

And the article goes on. Then the hon. member for Quebec East in discussing what was taking place in the League of Nations, in substance made this observation, that the nations of the world, at least some and probably all of them, were quite content to con-

trol the exportation of nickel, and on the other hand Canada was quite content that the manufacture of armaments should be done under governmental supervision. It will be noted that the nations which wanted to control the export of nickel do not produce any and Canada does not manufacture any armaments, so that the representatives to the League of Nations, I should say, should put the matter very bluntly to the nations of the world when they sit around the council table.

The products of the International Nickel Company to-day enter into almost every industrial activity where steel is used, from kitchen sinks to bathtubs. I do not know whether all hon. members are aware of the uses to which nickel is now being devoted. Monel metal is only one of the alloys; there are a dozen of them that during the last eight or ten years have been discovered and are peculiarly adapted to some sort of industrial activity. How is it possible, even if it would be effective, for anyone without impeding the wheels of industry to earmark nickel that might get into armaments?—because it is a comparatively simple matter to take the scrap into which nickel is introduced, refine it and reintroduce the nickel into armaments.

In conclusion, let us not for the sake of publicity or otherwise, for the sake of having our observations recorded in Hansard, fool around with a problem that is so serious, namely that of the settlement of men's differences by force. Do not let us fool around with the question whether we will ban nickel or not, but let us continue to support the only international tribunal that is at present available and Canada need take no second position to any other nation in the world in that respect. Let us continue to support the League of Nations so long as that body can command the respect and is entitled to the support of this country, in the hope that those who sit around the international council table will be able to devise some scheme or method whereby in the future nations will be constrained to submit their differences to that or some other tribunal for a peaceful solution. If we do not adopt that attitude, then if nations get into a clash where one concludes for some reason that another nation is not dealing fairly with it, probably at some time we may have some more war.

Every time anybody talks about war and every time a paper puts in a scare headline in regard to it, there is always a certain section of the community, irresponsible at first it is true, but in an ever growing circle which simply lends itself to the support of the idea. I would say in great sincerity: Stop talking about war.

[Mr. Gordon.]

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, I am in agreement with the sentiment by which this resolution is actuated, but I am a little bit wary about its practicability, that is, as the minister has already stated, the practicability of earmarking the quantity of nickel that is exported to so-called belligerent nations. The hon. member for Nelson (Mr. Stitt) mentioned something about nickel and lead bullets, saying that it would be easier to die by being shot with a nickel bullet than with a lead one. Personally I do not care to be shot by any kind of bullet. Even if we do away with exports of nickel it seems to me nations will resort to some other metal. They will use steel; they will use iron or something else. When they run out of minerals they will use sticks and when these are no longer available they will use rotten tomatoes or possibly custard pie. I think the question of nickel is only one factor that enters into the matter.

In proposing a resolution of this kind it seems to me that we are dealing with the sympton rather than the disease. The Minister of Labour (Mr. Gordon) has just mentioned the League of Nations. We send a delegate to the League of Nations every year. I personally feel that the trouble in Europe and the whole world to-day is due to such matters as the war debts, the war reparations, monetary questions and also the question of minorities. They have over there forty millions of minorities under the domination of other races. Europe has been split into two camps, the status quo camp and the revisionist camp. If the treaty of Versailles is revised immediately there will be war. If you stick to the status quo there will be war anyway. Therefore I think it is the duty of our representative to the League of Nations to advocate something that will bring peace in Europe, because I think that all our troubles on this continent can be traced directly to the situation that exists at present in Europe. I do not hesitate to say that the Versailles treaty was based on no principle, ethnological, geographical or other principle whatsoever, but on greed, animosity and chauvinism. It was signed too soon after the war when nerves were on edge and passions at their peak. I also do not hesitate to say that I advocate revision of the treaty of Versailles. I believe that all these minority peoples should be repatriated and then some effort made to organize a so-called general economic government that will evolve into the United States

of Europe and all those peoples over there be accepted into this United States of Europe, not on the basis of the United States of Europe proposed by Briand, but based on a revision of the treaty of Versailles. When they were settling these boundary lines over there—and this in my estimation is one reason why there is no peace in Europe—a cartoon appeared in The Calgary Eye-Opener with Sir Clifford Sifton's picture in it and that of Sir Robert Borden. Although they were looking for Czechoslovakia they had a map of Africa before them and Sir Clifford said: Where the dickens is Czechoslovakia, and Sir Robert replied: I'll be darned if I know. That is perhaps an exaggerated illustration of what was taking place over there. It explains the attitude of mind of the makers of this treaty. I believe we should treat the disease rather than the symptoms thereof, and I certainly believe that the treaty of Versailles contains all the germs of the present situation in Europe, and until it is revised I do not think it likely that there will be peace and thus a return of prosperity over there, and until our customers are prosperous it is not likely that we shall be prosperous on this continent.

Mr. HUMPHREY MITCHELL (East Hamilton): Mr. Speaker, I do not know whether I have the job of talking this question out, but I agree entirely with the direction in which the proposer of this resolution is moving. Like the hon. member for Kingston (Mr. Ross) I had some practical experience in the war. In the navy we always used to say that what one man stuck up the next one could knock down. I remember vividly in connection with mines, the British invented a paravane which carried on the front of the ship permitted that ship to steam through a mine field. Thereupon for some time it was possible for us to steam through these mine fields and nip off the mines without any danger to the ships, but then the Germans brought out a mine with jaws in the anchor that cut the paravane adrift. I think some such thing probably would happen if we did away entirely with nickel in the manufacture of armaments—I mean some substitute would be found. Frankly I believe it is not a question of material; it is a psychological, a mental question. The Minister of Labour (Mr. Gordon) said: Do not talk about war. I think if he, like myself and the Minister of Railways (Mr. Manion), had been in Europe this summer, he would have heard a lot about war. When I was in Moscow I observed that the Russians, who have a great war psychology, seem to think everyone wants to go to war with them, and I believe they have certain grounds for thinking that way in view of what has taken place in the last seventeen years. A newspaperman concocted a story that even the Americans wanted to go to war with the Russians. I said: I know nothing about the policy of the American government, neither do I know anything about the official policy of the Canadian government, but I do know the viewpoint of the man in the street in America towards the next war in Europe, that is, "cash on delivery." I think that reflects the viewpoint of our people. I speak now more from the viewpoint of their mental attitude because a change in the men tality of the people in Europe is essential When I was in Brussels I gave a picture of the conditions on the North American continent, told them we have an international boundary 3,600 miles long without a gun on it, yet within the confines of our nations we have all the bloodstreams that exist in Europe to-day, notwithstanding which we are able to get along in peace in the new world; I said, you people should exemplify the spirit of peace which we have proven practicable on the North American continent. The situation is, whether we like it or not, that there is possibly going to be war in the east as soon as the snow thaws; I think it is a reasonable analysis of the situation that there will be war. A system of dictatorships exists in Europe at the moment—dictatorship in its very essence is predicated on war. You have Mussolini telling the Italian people his dreams of an empire and power recreating the glories of ancient Rome. In the carrying out of that policy the British people will have something to say. Then there is Hitler, half-clown and half-fanatic, who tells the German people that one of the policies necessary to meet the present economic problems confronting that country is an expansion of the boundaries of Germany into Poland and the Ukraine. Of course Russia and Poland will have something to say about that. The same old diplomatic game is going on in Europe. After all it does not matter whether it is civil servants or nations, ambition makes strange bedfellows. You see Stalin saying to Pilsudski: Come to Moscow and talk things over; in other words "Come up and see me sometime," yet six months ago he was calling Pilsudski a

butcher. You see Herriot, the radical French socialist, going to Russia recently and saying to the Russian people all the nice things he could say and in my judgment making observations absolutely contrary to the facts, whereas only six months ago the attitude of the French government was directly the opposite in regard to the Russian government. You see the emissaries of Mussolini coming to Paris and saying nice things about the French, whereas these countries have been at loggerheads ever since the close of the great war. We have seen the development of a gigantic vise around Germany, ready to crush out her very national life if the German people should move in the direction of carrying out the policies enunciated by Hitler prior to the last election in that country. So I believe sincerely that it is far more than a mere material problem; it touches the very mainsprings of the individual nations themselves. It is a psychological problem, and I think it can be said that North America has made a magnificent contribution in the last seventeen years in its approach to international problems in Europe. It would be different if we were fifty years away from the last war; if the people of these countries had not lived through the carnage and the physical, mental and material suffering; if they had not experienced all that. They have the exemplification of the utter futility of war in the enormous cemeteries that exist at their back doors and in the maimed and crippled such as we saw in Ottawa last week during the convention held in this city.

May I say, Mr. Speaker, that no one would welcome international cooperation in connection with the resolution introduced by the hon. member for Winnipeg North Centre more than I would welcome it. I believe Canada is making its contribution. It was pointed out by the ex-Minister of Justice (Mr. Lapointe) that there must be some form of international agreement in connection with this matter. I believe he was on absolutely sound ground in making that statement; I do not think there can be any argument against it. After all is said and done you cannot justify bad judgment on the grounds of good intentions; I think your premises must be sound. I think we have exemplified, through the representatives of the Canadian government at Geneva, the attitude of this dominion towards war in Europe. It is rather disheartening to go to those countries and see that almost every other man is a soldier; to go to Russia, where they have snuffed out the lives of millions of people in the last ten or fifteen years but where their greatest contribution—I am speaking now, of course, of the territory within the confines of their own country—is the creation of an army possibly second to none in Europe to-day. Of course they argue that it is to be used for defensive purposes. Frankly I would rather follow the policies that reflect the mentality of the Canadian people.

I believe, Mr. Speaker, that the proper approach to this problem, apart from the mental viewpoint, is that the governments themselves should control the munitions factories within their own countries. Put the children on the doorsteps where they properly belong. Then, of course, I think no government has a right to lead its people into a great war without first crystallizing the viewpoint of the people in relation to that war. I think a referendum should be taken in each country. If that were a part of the machinery of the league; if it were provided that this must be done in any country contemplating carrying on a war, I believe that in the interval that would elapse between the declaration and the actual carrying on of the war the people would find that their spirit would cool down and they would reflect upon suffering that would result if their country should embark upon a war.

Mr. Speaker, may I say that I am heartily in accord with the purport of this resolution in the direction of controlling, by national and international action, the warlike forces of this and every other country in the civilized world.

Mr. WOODSWORTH: If no one else wishes to speak—

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, there is no reply open to my hon. friend. I was going to suggest that perhaps his purpose has been accomplished by bringing about this discussion, which has been illuminating and, we trust, informative, and which we hope has served some useful purpose. I was going to suggest that perhaps it would meet the wishes of my hon. friend to withdraw his amendment now.

Mr. WOODSWORTH: I understand that I have no reply, Mr. Speaker. May I say that originally my purpose was to introduce this matter to the house in the way of a

private motion, but the only way I could introduce it to-day was by means of an amendment. I very gladly withdraw the amendment as it now stands.

Amendment withdrawn.

Motion agreed to, and the house went into committee of supply, Mr. Gott in the chair.

Progress reported.

At six o'clock the house adjourned without question put, pursuant to standing order.

Thursday, March 22, 1934

The house met at three o'clock.

PRIVATE BILLS COMMITTEE

Third report of the select standing committee on miscellaneous private bills—Mr. Stinson.

LIVE STOCK AND PRODUCTS

Hon. ROBERT WEIR (Minister of Agriculture) moved for leave to introduce Bill No. 40, to amend the Live Stock and Live Stock Products Act.

He said: The changes to be made by this bill are not very important. Certain changes in definition are being made in order to comply with the modern practices of the trade. Another change is in connection with the control of chick hatcheries by any province wishing to have such control. Section 8, subsection 5 is being amended by the substitution of the word "thirty" for the word "sixty." The principle of the act is not being changed in any way.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

AIR MAIL SERVICE, CHIEF SUPERINTENDENT

Mr. BOULANGER:

1. Who is the chief superintendent of the air mail service?

2. When was he appointed?

3. What is his salary?

4. Where was he born?

5. How long had he been in Canada prior to his appointment to the civil service of Canada?

Mr. DUPRE:

1. George Herring.

2. First appointed to civil service April 2, 1907. Appointed to present position April 1, 1929.

3. $4,620 per annum.

4. Inverness, Scotland.

5. Approximately one year.

SWIFT CURRENT EXPERIMENTAL FARM—SUPERINTENDENT

Mr. GARLAND (Bow River):

1. What was the annual salary paid to Mr. Taggart, superintendent of the Swift Current experimental farm during each of the years in which he held the position?

2. How many expert assistants did he have?

3. What was the total amount paid to them in each of the same years?

4. What percentage of the cost of running the Swift Current experimental farm has been paid out of the revenues received from the production since 1929?

5. What is the total amount expended on the said farm in each year since 1929?

Mr. WEIR (Melfort):

1. March 31, 1922, $1,140; March 31, 1923, $2,160; March 31, 1924, $2,280; March 31, 1925, $2,400; March 31, 1926, $2,520; March 31, 1927, $2,640; March 31, 1928, $2,880; March 31, 1929, $3,000; March 31, 1930, $3,090; March 31, 1931, $3,120; March 31, 1932, $3,120; March 31, 1933, $2,772; March 31, 1934, $2,772.

2. Two.

3. March 31, 1923, $825; March 31, 1924, $1,664.46; March 31, 1925, $1,609.98; March 31, 1926, $1,650; March 31, 1927, $1,710; March 31, 1928, $3,630; March 31, 1929, $3,720; March 31, 1930, $3,426.60; March 31, 1931, $3,490.50; March 31, 1932, $3,645; March 31, 1933, $3,240; March 31, 1934, $3,240.

4. ·83 per cent.

5. 1929-30, $52,372.38; 1930-31, $56,229.25; 1931-32, $59,260.45; 1932-33, $42,093; 1933-34 to February 28, 1934, $37,124.62.

EASTER RECESS

Right Hon. R. B. BENNETT (Prime Minister) moved:

That when this house adjourns on Wednesday the 28th of March instant, it shall stand adjourned until Monday the 9th of April, 1934.

Motion agreed to.

RURAL CREDITS

On the orders of the day.

Mr. W. T. LUCAS (Camrose): Mr. Speaker, I should like to inquire if it is the intention of the government to introduce legislation during this session in connection with short and intermediate rural credits.

Right Hon. R. B. BENNETT (Prime Minister): The intention of the government will be made manifest when the legislation is introduced, if it is introduced. It is now under consideration.

INTERIM SUPPLY BILL

VOTE OF ONE-SIXTH OF ESTIMATES FOR FINANCIAL YEAR 1934-35

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, inasmuch as supply for this year will have become exhausted on March 31 and we do not reassemble until April 9, the public service would be seriously hampered and the public interest would be detrimentally affected if we did not pass interim supply. Of course, I can proceed only by unanimous consent but I ask the house for unanimous consent for the passing of interim supply of one-sixth of the main estimates for next year. I am asking for one-sixth rather than one-twelfth because under the new act we require a larger proportion than was the case under the old practice. I can go into further details if the house so desires. To-day being Thursday, when the motion to go into supply is put, Mr. Speaker leaves the chair without question put, but inasmuch as I am asking for unanimous consent I suppose I would have to make a motion, which I now make.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, the Minister of Finance (Mr. Rhodes) was kind enough to speak to me yesterday of his intention to move to-day for interim supply. I told him that in view of the representations he had made and which he has repeated just now I did not think there would be any objection so far as the official opposition is concerned to granting one-sixth at this time. However, when the minister moves to go into committee I should like to direct the attention of the house to a matter which bears immediately upon the control by parliament of appropriations voted by the house. I assume it is understood that interim supply will be voted on the same conditions as those on which previous interim supplies have been voted, that is, without prejudice as to criticism of any item which may come before us for subsequent discussion or as to the withholding in whole or in part of any item, or part of the supply, if such should be the desire of the house.

Mr. RHODES: It is understood that all reservations customary under such circumstances shall be made and that the fullest opportunity will be afforded for discussion of or objection to any individual vote at a later period. I do not quite understand my right hon. friend's reference to a discussion on the motion to go into supply. If that motion is to be the subject of discussion, I would not be able to proceed with unanimous consent. The same opportunity would be given to every hon. member and the object which I had in mind would be defeated as well as the rule with respect to proceeding into supply on a day other than Monday, Tuesday or Wednesday.

Mr. MACKENZIE KING: The minister is quite right. I overlooked the unanimous consent for which he is asking. When we get into committee of ways and means I shall bring up the matter which I have in mind.

Mr. DUFF: Does the minister intend to ask for one-sixth of 100 per cent or of 90 per cent?

Mr. RHODES: I shall ask for one-sixth of the supply as it appears in the estimates. This procedure will have no effect upon the subject which my hon. friend has in mind. In view of having to have unanimous consent, perhaps it would be necessary that a motion be made without prejudice to the application of the rule later on to-day. Therefore, I move:

That the Speaker do now leave the chair for the house to resolve itself into committee of supply.

Motion agreed to and the house went into committee of supply, Mr. Sullivan in the chair.

Resolved that a sum not exceeding $30,073,471.87, being one-sixth of the amount to be voted as set forth in the main estimates for the fiscal year ending March 31, 1935, laid before the House of Commons at the present session of parliament, be granted to His Majesty on account, for the fiscal year ending March 31, 1935.

Resolution reported, read the second time and concurred in.

WAYS AND MEANS

SUPPLY BILL

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Sullivan in the chair.

Mr. RHODES moved:

Resolved that towards making good the Supply granted to His Majesty on account of certain expenses of the Public Service for the financial year ending March 31, 1935, the sum of $30,073,471.87 be granted out of the Consolidated Revenue Fund of Canada.

Mr. MACKENZIE KING: I should like to take advantage of this opportunity, which is the first I have had since seeing the auditor general's report for the year ending March 31, 1933, to direct the attention of the Minister of Finance, of the Prime Minister, and in fact of parliament, to a statement which appears in that report and which is of very grave concern, I think, to hon. members of this house and to parliament itself. The statement appears on page 55 of the introduction under the head, "Operation of the Consolidated Revenue and Audit Act." The auditor general there states:

As the present report is the first one covering a full year's operation under the Consolidated Revenue and Audit Act of 1931, I consider that I should state, for the information of parliament, how this act, amending as it does the previous act, has altered the duties and modified the responsibilities of the auditor general acting as an officer of parliament, and the resultant effect on parliamentary control of expenditure of public moneys.

I need not complete that paragraph. The next one reads:

There is, however, another aspect of the changes made by the new act which calls for special consideration at this time as it involves the principle of parliamentary control over the issue of public moneys. Under the Consolidated Revenue and Audit Act of 1878, provision was made for the appointment of an officer who would be independent of the government of the day and be answerable to parliament alone in respect of such issues. However, under the Amending Act of 1931, the power of issue of appropriated moneys was removed from that officer, the auditor general, whose powers are now restricted to the examination of accounts and the reporting thereon to parliament. The cases cited hereunder may indicate an inclination to overlook the statutory limitations regarding the expenditure of moneys appropriated, thereby diminishing parliamentary control of these moneys. Under the old act, if the auditor general objected to certain expenditures on the ground that they were not properly authorized, he could refuse to make further issues of moneys; but under the new act he has no such power.

On the next page the auditor general gives instances of the result of the withdrawal of his control over the issue of public moneys.

Mr. BENNETT: Perhaps the right hon. gentleman would not mind reading those.

Mr. MACKENZIE KING: I shall be glad to read them. I had intended doing so. The point to which I wish to direct the attention of the house is that, by the Audit Act of 1931, the control which formerly this parliament had over public expenditures, by having its servant, the auditor general, made responsible for the issuing of appropriated moneys, has apparently been withdrawn; that power which the auditor general formerly had has been withdrawn and vested in an officer who is not a servant of parliament but an official of the government, one whom the government has it in its power to dismiss. Let me say at once that I have the highest appreciation of the worth of the present official, and I do not for one moment assume that there will be in his case any possibility of action of that kind. But I do think it is most important that parliament should retain the power, which it has had for fifty years, of exercising control over public expenditures in the manner in which formerly it did. I submit that at the time the bill was introduced the house was not given to understand that the new appointment of comptroller provided by the act meant any withdrawal from the auditor general of this particular function, which is the most important of all he formerly had, and placing it in the hands of an officer of one of the departments of government. Had the house so understood, I am sure there would have been strong opposition to such a proposal, and that the house would never have consented thereto. I am not sure that when the government brought in the bill its members appreciated the fact that this would be the consequence. The Prime Minister has asked me to read what the auditor says with regard to the effect of the change. I will do so. On page 56 of the introduction he states:

Availability of one vote to cover over-expenditure under another. On pages 195 and 198 of this volume is printed the correspondence with the comptroller of the treasury and the treasury board relative to the procedure followed in the case of several departments which in my opinion was subversive of the principle of parliamentary control over the expenditure of public moneys. In each case the over-expenditure on one vote was charged against a surplus on a vote provided for another purpose. Under section 27 (1) of the Consolidated Revenue and Audit Act it is provided that all issues of public moneys shall be made under the direction and control of the comptroller but no such issue shall be made in excess of any appropriation. Under section 50 (2) I am obliged to call the attention of the House of Commons to every case in which a grant has been exceeded. The only definite prohibitive direction to the comptroller in the act is that he shall not issue any money in excess of a parliamentary appropriation, and the first duty laid upon me in respect of my report to the House of Commons is that I shall call attention to every case where that prohibition has not been observed. These statutory directions are valueless if the procedure followed in these three cases is to become the accepted practice. Such practice is contrary to the underlying principle of supplementary estimates and of the issue of governor general's warrants. In confirmation of my views I cited previous treasury board decisions, resolutions of the British House of Commons and the debate in our House of

Commons in 1888 between leaders on both sides relative to this subject. The principle of parliamentary control is so fundamentally important that I feel impelled to call attention to any departure therefrom.

Payment from general vote of gratuities in lieu of retiring leave.—In volume 1 of my report for 1931-32 (page 286) and page 187 of this volume is printed correspondence with the treasury board in reference to the payment of gratuities in lieu of retiring leave without any special vote having been provided by parliament. In my opinion this was irregular in that payments were made as gratuities, equivalent to or less than the retiring leave authorized by statute, from votes provided by parliament for other purposes. The treasury board differed from this view.

Since then another order in council has been passed, dated July 31, 1933, providing for the retirement of employees who have reached a certain age limit, with gratuities equivalent to retiring leave of so many months' salary. In some of these cases the gratuities were in excess of the retiring leave that may be granted under the Civil Service Act, and in other cases gratuities were paid to employees who are entitled to no retiring leave under any act of parliament. No special vote was provided and the payments have been charged to various votes under the respective departments. Although the present retirements are being effected in the interest of good administration a procedure is established under which, without any authority other than that provided in an order in council and without any special appropriation being provided, gratuities are being paid to retired employees in excess of those payable under the Civil Service Act, or are not authorized by any statute. The question of the advisability of obtaining a vote of parliament to cover such expenditures has been resubmitted recently for the consideration of the treasury board. The British practice in cases of this kind is determined by a decision of the treasury in the following terms: "My Lords fully agree with the view of the committee that if in exceptional circumstances a gratuity is given on retirement in addition to the statutory superannuation payments, that gratuity should not be paid until an estimate making clear its extra-statutory nature has been presented to parliament and passed."

I shall now read the concluding paragraph:

However I have certified all applications submitted to me for pre-audit as this question had been dealt with in my previous annual report but I feel that the matter should again be brought to the attention of the House of Commons since this class of payments has been extended to cover gratuities that are in excess of what is provided by the Civil Service Act.

The auditor general in the report states in so many words that the Civil Service Act has been violated; that moneys which were voted for one purpose, have been used for another; that moneys have been paid out of the public treasury without any previous appropriation by parliament for the specific purpose and that these violations of a former practice have grown out of the fact that by the Audit Act of 1931 there was taken away from the auditor general as the servant of this parliament the power which he had for many years exercised of issue of appropriated moneys to be placed to the credit of the different government departments. Certainly the house was given to understand that the purpose of the Audit Act was to bring about a more effective control and not to lessen it; least of all was it thought that its purpose was to transfer control which parliament has most zealously exercised from the very beginning, to the government and to an officer under the government's control. When I read this statement in the auditor general's report I felt it my duty to bring the matter immediately to the attention of the house, not with a desire of provoking a discussion on the question, but with a view of seeing once this had been done whether in the mind of the government the Audit Act should not be amended so that parliament may have restored to it that power over expenditure of public moneys through the control of issue of appropriated moneys by its servant the auditor general, which has been customary ever since the first audit act was passed.

Mr. RHODES: So far as the Consolidated Revenue and Audit Act is concerned, the question of parliamentary control, I submit with all deference, does not arise. All the auditor general is doing in that statement is calling in question an action of parliament itself. Parliament may or may not have acted wisely in passing that act. It may be a question whether there is or is not that same degree of control which obtained under the previous method. But inasmuch as I did not know my right hon. friend intended to bring this matter up to-day and also in view of the circumstance that I have asked unanimous consent of the house, I would be the last to wish to consume time under those conditions. I take it that the purposes of my right hon. friend will have been met if I say to him that I shall be very glad to take his references to-day as a notice and to indicate to him that I shall be pleased indeed at a later stage in supply or at some time when it may be convenient other than when we are voting interim supply, to discuss the question in full detail.

Mr. MACKENZIE KING: I would certainly have given my hon. friend notice of what I intended to say—

Mr. RHODES: I am not criticizing my hon. friend for not doing so.

Mr. MACKENZIE KING: —had I meant in any way to start a discussion. In reading the report I noticed the statement by the auditor

general and as I believed it was of concern to parliament I considered it my duty to bring it immediately to the attention of the house. I thank my hon. friend for promising to give it consideration.

Mr. BENNETT: I saw the volume of the auditor general's report to which reference has been made, and while I did not read the details of the matter, because I was familiar with the position taken by the auditor general, I at once recognized the references when the right hon. gentleman read them. The truth is that the new act entirely changed the conditions under which moneys were made available for departmental expenditures. The truth is also that the auditor general has always disapproved of it. It wiped out the entire bookkeeping establishments in the several departments and instead of credits being granted by the auditor general, they are now referable to the votes of parliament under the comptroller and unless there is provision in the estimate of the particular department for the payment of the moneys that are sought to be expended, then the auditor general declines to sanction the payment when the item comes before him. I do not propose to do more than to say that the effect of the action taken has been to save the country, I think the figure for last year was $231,000—I speak subject to correction—because the new method is partly responsible for the reduction in personnel mentioned in the return made a few days ago by the Minister of Finance. I feel satisfied that when the right hon. gentleman and those associated with him have studied the operations of the act, they will be satisfied that parliamentary control has not been lessened and that the machinery set up for handling the financial operations of the country is such as would obtain in good business establishments and retain to the utmost the control of parliament.

I said to my colleague the Minister of Finance that in view of the attention of the house having been directed to the matter by the right hon. gentleman, we might discuss it fully when the house is again in supply on Monday or Tuesday or any other day that might be convenient. Possibly the best time would be when the item of cost of management in connection with the financial operations of the country is under consideration by the committee. Every facility that can be afforded for the purpose of the discussion will be given and if the right hon. gentleman will indicate that there is any information he desires to be furnished from the department, I will see that it is made available for him before the discussion takes place.

Mr. MACKENZIE KING: In connection with the Prime Minister's promise a few minutes ago to bring down information to help in understanding the matter of control of public expenditure, perhaps he or the Minister of Finance (Mr. Rhodes) will be kind enough to have the officers of the department prepare a memorandum which will show by comparison the old system of control and the new and what the differences between the two may be.

Mr. BENNETT: Yes, certainly, that will be done.

Mr. DUFF: I think I am correct in saying that the amount which it is now proposed to vote, is not for March salaries or for payments due to the public to March 31 of this year, but it is intended to cover moneys which will be due to civil servants and to other people who are doing business with the government for the months of April and May. Before the vote is carried, I think this is a very opportune time for the government to tell the house whether we are going to return to the payment of 100 per cent of salaries to lighthouse keepers, customs officials and other officers of the service throughout the country. We should therefore have an expression of opinion from the government with regard to getting back to the payment of 100 per cent of the salaries, whether it be the salary of Mr. Speaker, or that of the Deputy Speaker of this house, or of the chairman of the committee of the whole, or my remuneration as the member for Antigonish-Guysborough, or the salaries of the deputy ministers of the different departments and other officials, or of the lightkeepers and charwomen and elevator men and all the other civil servants of this country. We should have a statement from the government now, because if we vote this money to-day and adjourn over Easter and do not come back until the 9th of April there will be very little time between then and the 15th when the cheques go out for the government to take any action. This vote, as the finance minister said in answer to my question, only covers the amount set forth in the estimates, and as we know, in these estimates the ten per cent is deducted. It is very easy for the finance minister and the government to bring down a supplementary estimate covering the ten per cent, the difference between 90 and 100 per cent, so that the civil servants after the first of April can get 100 per cent which in my opinion is due them.

Mr. RHODES: I cannot agree with my hon. friend from Antigonish-Guysborough (Mr. Duff) that the question of asking for interim supply has any bearing on the major question of the amount of the supply itself. That is

an entirely separate thing. I may say further that even if it had any bearing I am not in a position to make any announcement today for the very good reason among others that when at their request I met a delegation consisting of the heads of the various civil service organizations some weeks ago, I told them no decision would be arrived at until after a further conference, and that further conference does not take place until tomorrow. That alone would preclude me making any announcement now. I know that under these conditions my hon. friend will not press the question.

Mr. DUFF: As long as the hon. minister gives that information to the house before we adjourn I am quite satisfied.

Mr. RHODES: I cannot even give an undertaking to that effect, although I have every hope of doing so.

Motion agreed to.

Resolution reported, read the second time and concurred in. Mr. Rhodes thereupon moved for leave to introduce Bill No. 41 for granting to His Majesty certain sums of money for the public service for the financial year ending March 31, 1935.

Motion agreed to, bill read the first and second time, considered in committee, read the third time and passed.

PUBLIC WORKS PROGRAM

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I had not the pleasure of hearing the Prime Minister speak in Hamilton last night, but I am told, by one or two who had, that they understood from his remarks that he promised the city of Hamilton a new building when the program of public works was brought down. I would like to know if that is correct?

Right Hon. R. B. BENNETT (Prime Minister): I think it would be a fair inference to draw from what I said, that when any program of public works goes forward provision will be made for such a building. The necessity for it is so apparent that it does not require any argument. Unfortunately, for my own peace of mind, I should add there were a number of representatives there sitting at tables marked Brantford, St. Catherines, Galt—

Mr. DUFF: Niagara Falls.

[Mr. Rhodes.]

Mr. BENNETT: Niagara Falls and other cities, and I am bound to say it did not seem to meet with that measure of approval that one might hope for.

Mr. MACKENZIE KING: That is, I suppose, the first of the promises the Prime Minister is making for the next election.

Mr. BENNETT: No, I hope it is not the first.

Mr. MACKENZIE (Vancouver): And not the last.

Mr. BENNETT: Certainly not the last. And I may add that he is now in process of endeavouring to give effect to some of those that have already been made.

Mr. LAPOINTE: May I invite the Prime Minister to come and make a speech in the city of Quebec?

Mr. BENNETT: I might say that if I receive the same reception there as I did the last time I was there I shall be quite content.

Mr. CASGRAIN: You made only promises there.

Mr. MACKENZIE KING: May I ask the Prime Minister when the house may expect to receive details of the program of construction?

Mr. BENNETT: If the right hon. gentleman is serious about it—

Mr. MACKENZIE KING: Yes.

Mr. BENNETT: What I said was in a jocular manner in dealing with the question of public works. I said that any program of public works would in my judgment be incomplete that did not provide for a public building in Hamilton. Those, as nearly as I can recollect, are the exact words I used. I think that yet. So if there is a program of public works I would regard it as incomplete if provision were not made for a public building in Hamilton, where, I understand, they have owned a site for a very long time, and where the government offices are scattered over the community. And I think, if the records were looked at, it would be found that my right hon. friend's party made somewhat similar observations in times past. There is nothing about it that is new to anyone, with respect to the necessity of a building in that community. The provisions of the measure dealing with this matter will be made known as soon after Easter as may reasonably be but the bill will not be brought down until then.

TARIFF BOARD

REFERENCE TO SUPREME COURT OF RIGHT TO MAKE RULINGS ON POINTS OF LAW AND FIXING OF VALUES

On the orders of the day:

Hon. J. L. RALSTON (Shelburne-Yarmouth): I would like to ask the Prime Minister whether the government is in a position to make a statement with regard to the questions which will be submitted to the supreme court arising out of the recent decisions of the tariff board. The Prime Minister I think mentioned the other day that he would make a statement shortly.

Right Hon. R. B. BENNETT (Prime Minister): I said I would endeavour to table a copy of the order in council by the end of the week. The questions have been discussed and the Minister of Justice (Mr. Guthrie) has prepared the submission, but there was a difficulty as to whether or not a third question should be submitted, and the matter was brought to the attention of the house the other day. I hope I may be able to lay a copy of the order in council on the table to-morrow, but if not it will be done on Monday. There are days when it is difficult to find time to consider these matters; this would have been done to-day but for the fact that the committee concerned with the Jacques Cartier celebration met with us, so we did not have a chance to discuss the order in council.

SAINT JOHN OVERHEAD BRIDGE

On the orders of the day:

Hon. P. J. VENIOT (Gloucester): I should like to ask the Prime Minister if he is in a position to state to the house whether or not an order in council has been passed giving authority to the harbour commissioners of Saint John for the construction of an overhead bridge, so called.

Right Hon. R. B. BENNETT (Prime Minister): Speaking from memory, I remember that a submission was made to council by the Minister of Marine (Mr. Duranleau) of recommendations made by the harbour commissioners as to an overhead bridge over the tracks at the new berth, No. 4. My memory is that such an order in council has been passed. I will verify that, and if it has been passed I will send a copy to the hon. gentleman.

UNEMPLOYMENT AND FARM RELIEF

BILL IN TERMS GENERALLY OF RELIEF ACT, 1933, WITH PROVISION RESPECTING DELAYED RELIEF ACCOUNTS

Hon. W. A. GORDON (Minister of Labour) moved that the house go into committee to consider the following proposed resolution:

That, it is expedient to introduce a measure respecting relief measures generally similar in terms to the Relief Act, 1933, but which also makes provision for payment of federal proportion of delayed relief accounts, if any, which may be received subsequent to the date of the expiration of said act.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): May I ask the minister if I am right in assuming that this resolution is necessary because the provisions of the Relief Act of 1933 expire on the 31st of this month, and, if that is so, that with it ends all the government has by way of providing assistance in connection with unemployment. That, I understand, is the extent of the government's policy on unemployment, namely, the system of the dole that was adopted last session. That system has been continued under the act of 1933, which expires at the end of this month. Unless we put through this measure before March 31 the government has nothing further that it can do for the unemployed, as I understand it.

Mr. GORDON: The right hon. gentleman is right, in substance. The act of 1933 expires on March 31 of this year, and unless legislation is enacted before the expiration of the fiscal year there will be no funds available with which to carry on the various activities of the dominion in assisting the provinces in connection with unemployment and general relief work.

Motion agreed to and the house went into committee, Mr. Gobeil in the chair.

Mr. POULIOT: At the beginning of the session I asked a question of the Minister of Labour which is reported, together with his answer, at page 142 of Hansard. The question and answer were as follows:

1. Since the month of August, 1933, has the Department of Colonization of the province of Quebec proposed to the federal government that it carry on certain work in the parishes of St. Elzear, St. Emile d'Auclair and St. Benoit de Packington, Témiscouata county?
2. Has this work been approved by the federal government?
3. If so, on what date?

Mr. Rhodes:

1. Yes.
2 and 3. The relief works proposed to be carried out by the province of Quebec at St. Emile d'Auclair, Témiscouata county, received

dominion approval on January 24th, while the works proposed to be carried out at St. Elzear and St. Benoit de Packington are still under consideration.

They had been under consideration since the previous August. On February 5 of this year the following order was passed by the house:

For a copy of memorandums bearing numbers 48, 54, 56, covering the work which the Department of Colonization of the province of Quebec proposed to have done in the parishes of St. Elzear, St. Emile d'Auclair and St. Benoit de Packington, Témiscouata county, and which were sent to the federal government for approval on August 30, 1933; also copy of all the correspondence, reports, telegrams, petitions, concerning the said work.

Approval was given with regard to the parish of St. Emile d'Auclair but, according to a letter I received from the Deputy Minister of Labour, the proposals concerning the parishes of St. Elzear and St. Benoit de Packington are still under consideration. In the return I have just mentioned, which is sessional paper No. 192 and which was tabled on March 2, 1934 by the Minister of Labour, there is some important correspondence at pages 9, 10, 11, 12, 13, 14, 15 and 16. This contains the list of settlers in those constituencies who need relief, and the house will remember that last year I complained with regard to the way the settlers were looked after by this government. At that time I was told by the Minister of Labour that I was slandering my province. There was a man, whose name I will not mention to-day, who distorted the facts on that occasion by falsifying the reports of my speeches, and at the request of the Prime Minister the judgment I passed on that gentleman was deleted from Hansard. I wonder if he was rewarded for distorting the reports of the House of Commons by being appointed to the Post Office Department at $2,100 per year; in any case there he continues his dirty job of slandering the members and lying continuously in the newspapers. I shall not insist any more in connection with this matter. But when the Minister of Labour stated in the house that I was slandering my province when, in fact, I was defending the settlers in my constituency and in all other parts of the provinces of Quebec and Ontario I resented his action very much. Now, however, I have part of the proof; I have not the whole of it because I see that the return has been combed before being placed on the table of the house. I repeat that it has been combed. However I have something before me which I shall read to hon. members so that they may know about the real situation of the settlers in my constituency. I regret to have to take this action, but I believe I am bound to do so because although the minister may have been acting in good faith I do believe that surely he must have been wrongly informed when he blamed me so unfairly.

From the return which I have mentioned I shall refer to a letter from a missionary, the parish priest of the new settlement at St. Emile d'Auclair. This communication is addressed to Mr. Harry Hereford, director of unemployment relief in the Department of Labour, Ottawa. Dated on December 18, 1933, it reads as follows:

Dear Sir,—

I am entrusted with the spiritual welfare of the settlers of Saint-Emile d'Auclair, founded in 1932. I forwarded to your address, some time ago, the information relating to our people.

I clearly explained the situation of my settlers to your inspector, Mr. Lafortune, when he came through here in October.

Over a month ago, your department authorized an expenditure of $9,100 for work to be carried out at the settlement of Lejeune, an adjacent parish, which has a much smaller population than mine.

I have been patiently waiting, until this very day. It will take a miracle to save my settlers from starvation, that is the plain fact, with the few hundreds of dollars which I succeed in obtaining each month at the price of endless complaints and recriminations. The small children of settlers in my parish are without shoes, or stockings or clothes to cover themselves this winter to attend school (a large number cannot leave the camps), they are in great distress, utter destitution—

I shall draw the minister's attention to the fact that this missionary says that the condition is one of black misery.

—a life of cruel disappointment for a poor missionary who is in charge of all these people.

Would you be kind enough to inform me, whether the provincial government has sent in a request for relief in connection with the settlement of St. Emile?

The parish priest wondered if a request for relief had been sent by the provincial government to the federal government. His letter inquires as to whether the request had reached the federal Department of Labour in the previous month of August.

What was the amount? What reason or reasons prevent you from granting this amount? Why these interminable delays as regards my settlement, when you have granted so many requests, here and there?

Kindly inform me whether you approve or reject the requests made by the Quebec government for my settlement. I have witnessed the great distress of my settlers. I must act one way or another, for the heart of a missionary cannot endure such sufferings among those who have been entrusted to him. Please reply immediately.

I have the honour to be your very obliged in J.C.

(Sgd.) J. E. A. Beaulien,
Missionary Priest.

Mr. Chairman, that is the text of the letter received by the department from the reverend gentleman I have named. There is attached to the letter, at the request of Mr. F. Lafortune who, I understand, belongs to the Department of Labour, a list of people who need relief in that new parish which has been created as a means to relieve unemployment. It is as follows:

Heads of family—	Dependents
Henri Lévesque	3
Xavier Gagnon	6
Aristide Bouchard	4
Paul Duchesnes	3
Emile Bérubé	1
Alphonse Tremblay	1
Herménégilde Boucher	9
Edouard Martin	4
Alphée Robichaud	9
Roméo Grandmaison	5
Henri Labrie	3
Marcel Thibault	7
Georges Deschenes	10
Philéas Thibault	3
Ernest Savard	2
Joseph Savard	4
Désiré Fillion	8
Emmanuel Rella	1
Albert Bova	5
Joseph Lebrun, p	6
Emile Lebrun	2
Eudore Bergeron	4
Réal Dubé	2
Camille Duellet	3
William Parent	6
Joseph Lévesque	5
Paul Ouellet	9
François Bérubé	5
Georges Pelletier	6
Lorenzo Lévesque	5
Francis Plourdes	4
Thurible Pelletier	4
Alexis Dorion	1
Philas Drouin	7
Georges Leclerc	3
William Leclerc	1
Georges Plourdes	3
Charles Bérubé	4
Sosthènes Rioux	7
Joseph Duchene	8
Ernest Bowan	4
Napoléon Côté	10
Joseph Phillippon	7
Emilien Fortier	4
Esdras Grégoire	3
Désiré Godbout	5
Alphée Caron	9
Léger Gilbert	7
Léodore Fortier	3
Wilfrid Prévost	6
Omer Huppé	4
Pierre Laliberté	3
Roméo Gagnon	3
Joseph Boucher	2
Pierre Lavallière	2
Alfred Beaudoin	8
Albert Grégoire	1
Alfred Labrie	6
Johnny St-Pierre	9

This is the list of family heads which was sent to the department on October 12, and on December 18, two months afterwards, no answer had been received. In proportion to the population there were more unemployed in that new settlement established to relieve unemployment than there are in the large cities of Toronto and Montreal. Besides that, the names of many bachelors appear on the same list. Following the names of bachelors is another list containing the names of the heads of families. There are two double column pages of unemployed and people who need relief, and there are further names on the third page. A certificate by the parish priest is attached.

I have received letters from people in the parishes of St. Elzear, and St. Benoit de Packington. The matter is still under consideration, and only to-day I received the following letter from the deputy head of the Department of Labour:

Ottawa, March 19, 1934.

Dear Mr. Pouliot:

I have your letter of the 16th instant, and note your questions in regard to relief works at St. Elzear and St. Benoit de Packington.

Sessional Paper No. 192, reference No. 22, tabled on March 2, contained copies of the correspondence which passed in connection with these schedules to the Quebec agreement.

I note you also ask whether the projects are still under consideration by the minister and department. In reply I might state that as the agreement between the dominion and the province under which federal contribution was provided for on these works expires on the thirty-first instant, and as the agreement contains a provision for all such works being completed by that date, it has been decided not to approve of any further works under the present agreement.

Many months have elapsed since August and the department has no excuse for having waited until December before approving requests received from the Quebec government. I should like an answer to certain questions, and I shall send a copy of these questions over to the minister.

Referring to the answer given by the Minister of Labour and which appears on page 142 of Hansard of this session, to the effect that since the month of August, 1933, the Department of Colonization of the province of Quebec has proposed to the federal government that it carry on certain work in the parishes of St. Elzéar, St. Emile d'Auclair and St. Benoît de Packington, Témiscouata county, province of Quebec. Has the work proposed for the parish of St. Emile d'Auclair been approved by the federal government? If so, why? I know it has been approved, but I should like to know why. Has the work proposed for the parishes of St. Elzéar and St. Benoît de Packington been approved by the federal government? If not, why? With regard to the two latter parishes, is the government in possession of any correspondence to

the same effect as that contained on pages 9 to 16 inclusive of sessional paper number 192, reference number 22, tabled in the house by the hon. Minister of Labour on Friday, March 2, 1934? If so, from whom was each document received and what is the date? If such correspondence exists, why is it not contained in the above sessional paper?

Mr. GORDON: On reference to the record I find that the federal government received from the provincial government of Quebec a large number of schedules asking that the federal government approve of work to be done in the constituency of Témiscouata. In all, twenty-five schedules were received for our approval. Wherever possible inspectors visit the locality where relief by way of works or otherwise is sought. Of the total number of schedules received from Quebec, only six were not approved, and of those six, two were subsequently cancelled by the provincial authorities. Undoubtedly this cancellation was brought about by the gradual pickup in business, particularly in connection with pulpwood and lumbering operations. An inspector from the department visited the parishes to which the hon. member has referred. He interviewed those who in his judgment were acquainted with local conditions and reported that there was no necessity for either a contribution by the dominion government to the province or an expenditure of money by the province. The department acted upon the advice of the inspector.

Mr. POULIOT: Was that inspector, Mr. Lafortune?

Mr. GORDON: I have not the file before me, but I am inclined to think it was.

Mr. POULIOT: How is it that Mr. Lafortune's report is not included in the return?

Mr. GORDON: I would regard the report of an inspector who visits a locality and makes an investigation on behalf of the department as being strictly confidential. The names of people are mentioned and, speaking generally, I am afraid that people are rather resentful of anyone who would put barriers in the way of an expenditure of money from the provincial or dominion treasuries.

Mr. POULIOT: Did the minister have the letter from Father Beaulieu translated for his own purposes?

Mr. GORDON: I have no recollection of such a communication but the hon. member will realize that tens of thousands of communications are received by the department in connection with relief matters throughout Canada. I think I can say that if such a letter did come into the department I would have knowledge of it. I will look into the records to refresh my memory and during the course of the debates I shall make a further statement with respect to that.

Mr. POULIOT: I think it is only fair that the minister should have such letters translated in order that he may have personal knowledge of them. On the other hand, may I ask the hon. gentleman whether to his knowledge or to the knowledge of his deputy who sits beside him now, there is no correspondence of any kind apart from Lafortune's report or the inspector's report with regard to these two parishes of St. Elzear and St. Benoit de Packington since August last.

Mr. GORDON: I can only assure the hon. gentleman that at the earliest moment I will look up the file, refresh my memory and answer within the course of a day or two.

Mr. POULIOT: I thank the hon. gentleman for his answer and I wish to tell him now that I am ready to take his word on that. On the other hand, knowing the people as I do, and knowing the facts as I know them, I have every reason to believe that there is some other correspondence with the department to the effect that the request made by the Quebec government should not be granted to these people. It is my personal belief and impression; and when I say that I say it on the strength of reliable authority. I have received letters which I am not going to read; they are long and I do not want to take up too much of the time of the committee; but when one of our fellow countrymen is suffering it is the duty of a member to bring the matter to the attention of the government. With regard to the grant for the parish of St. Emile d'Auclair, the residents of which complained last year through me to the government regarding the deplorable state in which they were living, the minister admitted that I was acting in good faith, not slandering my province, but taking every available opportunity to come to the assistance of these people, without any political motive, but just to do my duty as a member of the House of Commons. I thank the minister for his answer and I hope he will be kind enough to supplement it at an early date.

Mr. CASGRAIN: What sort of public works were carried on under the control of the provincial government in Charlevoix and Saguenay under that measure last year?

Mr. GORDON: I have before me the numbers of schedules for the constituency, showing the estimated cost and the dominion proportion, but as to the actual character of the work I should have to refer to the details of the many schedules. However, it may suffice if I run over the various schedules showing the amounts in the constituency represented by the hon. gentleman.

Schedule—	Estimated cost	Date of approval
360	$ 1,500	December 20
361	1,500	Not approved
362	10,000	December 6
363	10,000	December 6
366	1,200	December 20
371	1,500	December 6
372	2,500	December 6
373	2,000	December 6
142A	2,000	January 17
155A	900	January 17
151A	3,800	December 28
151B	3,800	January 17
143A	600	February 28
148A	1,000	February 24
472	1,000	

Later, on instructions from the province of Quebec, this schedule was cancelled.

Schedule—	Estimated cost	Date of approval
17	30,000	October 4
26	10,000	October 4
29	8,000	October 4
74	5,000	October 19
79	8,000	October 19
141	10,000	October 4
142	2,000	October 4
148	7,000	October 4
150	2,000	October 4
151	5,000	October 4
153	1,800	October 4
155	1,200	October 4
152	1,500	October 4
143	2,500	October 4
154	7,000	October 4
269	50,000	October 4
299	700	November 28
338	5,200	December 6
162	7,000	December 6
359	3,000	December 6

Mr. CASGRAIN: What do all these schedules cover? Is it for special work in each case, or have the schedules reference to different work at various times?

Mr. GORDON: Each schedule sent us by the province of Quebec outlines shortly the locality in which the work is to be carried on and gives a description of the kind and character of the work.

Mr. CASGRAIN: Would it be possible to supply me with the names of the places and the work done under each schedule? I do not want to put the minister to the trouble of reading it to the committee, but he might send me a list of the various schedules showing what work they cover, and where the work was carried out.

Mr. GORDON: I should be very glad to prepare for the hon. member a statement showing where the work was done and the character of the work proposed or done.

Mr. CASGRAIN: I do not know whether the minister has this information, but if he can give it, I would like to have the names of those engaged on these various works, including the superintendent.

Mr. GORDON: The Department of Labour has no record of the employees. That matter is entirely in the hands of the provincial authorities in Quebec. No doubt, on application, the information could be obtained from the provincial authorities.

Mr. BRADETTE: This resolution means simply that the country is going to have direct relief again for another year. The Minister of Labour knows very well that this is an unsatisfactory state of affairs so far as Ontario is concerned and it shows on the part of the government a lack of policy in regard to dealing with unemployment. I have in mind utterances made last year by several members of the Ontario government, more particularly by the Hon. Mr. Finlayson, highly condemning the direct relief policy of the federal government, even going so far as to say that it was practically a waste of public funds to the country and to Ontario in particular.

Mr. GORDON: Would the hon. member permit me an interjection at this moment? It must be remembered that at no time was a policy of direct relief or of works or otherwise a policy of the dominion government. The legislation passed was to assist the provinces to carry out their constitutional responsibilities. The provinces themselves lay down and administer the course which in their judgment they think it best to follow, having regard to all the circumstances and the needs that confront the various provincial governments in their respective jurisdictions.

Mr. MACKENZIE KING: Will the minister tell the committee what the dominion government's policy with respect to unemployment was or is? As I gather from the minister's remarks, any policy as far as there is or was one relating to unemployment was entirely a provincial one, and the dominion had no policy other than just to assist the provinces. Is that the situation?

Mr. GORDON: So far as the administration that falls within the Department of Labour under this legislation is concerned, the dominion has merely contributed to assist the provinces to carry out their obligations.

Mr. MACKENZIE KING: Has the dominion any policy apart from that or in addition to it? Is not that the sole policy of the dominion, the beginning and end of it?

Mr. GORDON: I do not think I need enter into any extended debate so far as the observation of the right hon. gentleman is concerned. He knows quite well this government has taken many measures which in its judgment would tend to improve matters throughout Canada with respect to trade, industry, agriculture and all the other various activities of the Canadian people. In my view, the actions taken by the government have in effect been very helpful. So far as this legislation is concerned and dealing with the expenditure of moneys, the policy was merely to supplement the efforts of the provinces in taking care of those who are unable to provide for themselves and also to supplement the funds of the provinces in the projection of such desirable works as in their opinion could be carried on in order to provide some employment for their people.

Mr. BRADETTE: The fact remains that unemployment relief has been the child of the federal government since the fall of 1930. That policy was inaugurated then by this government and has been administered by the provincial authorities. Another feature of this is the fact that for the first year, 1930-31, the government had a public works policy, but for reasons known only to them, it was found wanting and abrogated and then they took up direct relief. That, however, does not conflict with the statement I made a few minutes ago that the provincial authorities of Ontario fully realize that direct relief is only a palliative; that it is not a remedy for the present situation, and I believe I am absolutely in order in saying that the introduction of the resolution now before us brings very forcibly before the house and the country the fact that the federal government has no policy so far as unemployment is concerned. Unemployment relief, as I say, is purely and simply the infant of the present government. I could quote several papers which the minister knows are Conservative in their views and which certainly are not satisfied with the present method of unemployment relief. The objection is not as to the way in which it is administered, but they relaize that it is only a palliative and they feel now that after nearly four years in power the federal government should have a policy whereby it will be able to deal with such an important national problem in a way that will satisfy every section of the population. Unemployment relief at the present time is purely and simply the dole and it is a system which is largely deteriorating the moral fibre of our Canadian people. All it is doing is to permit the unemployed and their families to keep body and soul together, holding no hope for the future.

In making these remarks I want to be constructive in my criticism, but I know I have the backing of members of the Ontario government. Last summer and fall and during the winter Mr. Finlayson was quite outspoken in regard to the direct relief policy inaugurated by the federal government. He said practically that it was a scheme that should not be carried on any longer. I was hoping that the government would have a policy whereby unemployment would be dealt with at the root and from the proper angle. As I said, the present method is purely and simply a small stop-gap; it is only a way whereby the people keep body and soul together hoping for better times to come. When those times are going to come, they do not know, but surely the people of Ontario and of Canada generally have a right to expect to get relief and some hope from the present administration.

I know I shall have an opportunity of speaking on the back to the land movement when that estimate comes before us and at present I want to confine my remarks to directing attention to certain works that should be undertaken in my section of the country. Last fall the people of Canada entertained high hopes for a certain length of time because they were led to believe—I do not know from what member of the present government the report came—the government was going to inaugurate a program of public works. Whether the government had in mind at the time the construction of the St. Lawrence waterway being commenced early this spring, I do not know; but if such hopes were entertained, they were badly shattered last week. So far as eastern Canada is concerned, there is no hope of relief in the construction of the St. Lawrence waterway, but there are other programs of public works of national importance that could be undertaken by the government. It was said three years ago that it was found that the cost to the government of public work construction was practically prohibitive, but surely after three years of experiment the government can find it possible to undertake works of a national character and in an economical way. Knowing the minister so well personally, I make the statement in all sincerity that I know he is not satisfied with the resolution under discussion at the present time. I know he fully realizes, because he is conversant with the

situation that exists throughout Canada, that the settlers in my section and his own and the farmers and workingmen generally are not satisfied under the direct relief scheme as it exists at present. Newspapers in my district, including even my regional one, have been absolutely against the relief meaures we have had on the statutes of Canada for the last few years. Surely it should be possible for the government to give employment to worthy people. It is true that under the relief provisions our people have not actually suffered greatly, that they have at least been able to eat three times a day and to be clothed to some extent, but there are anomalies in the application of those regulations. There is the fact that some able-bodied men have not done a day's work ever since relief was inaugurated, also that men who were willing to work on their farms for instance could not do it because for work done on their own property they could not receive remuneration from the government. I do not know if the Minister of Labour is familiar with the fact that last summer in our section an official of the northern development branch declared in the town of Cochrane that every settler who spent his time working on his farm would receive remuneration. That declaration was received with enthusiasm by every section of the population, urban and rural. I believe it would be a proper method of administering the Relief Act in new colonization areas. But unhappily for our fine rural population that policy was not made effective. I hope the minister will use his influence during the coming summer to see that settlers who are willing to stay on their holdings and clear their land for cultivation shall receive a certain amount of compensation, comparable to what was paid last summer for work on colonization roads. That policy would involve no extra cost to the administration.

Another matter which I have mentioned on several occasions, which is national in its scope and in which our section is greatly interested, is the trans-Canada highway. The minister is familiar with the promises made in his riding and in mine during the last federal election that the trans-Canada highway would go through Haileybury, Cochrane and Hearst. I am sorry to say that as far as my section is concerned it has not been routed as we expected. Consequently our people were unable to get the amount of work that was provided, for instance in the Ottawa valley and around the north shore of lake Superior. The promise was made during the last election and should be fulfilled. Some people say that election promises are only to catch votes and must be forgotten after the vote is cast, but my section of the country will not stand for that. There was a definite promise made at that time that the route of the highway was then or would soon be decided. But as far as I can see, outside of some minor work that has been done on the Ferguson highway at Englehart and Cobalt, very little work has been done towards connecting that highway with the transcontinental highway. That promise was very definite and well-understood by every section of northern Ontario. It may be that the provincial government said two or three years ago that they were not decided on the route but surely after three years of investigation the provincial government should be willing now to give a lead as far as that highway, and our section, is concerned. We believe in our section that we have been fooled on that important question. Although we realize that certain sections of northern Ontario have a right to be connected with the trans-Canada highway, I believe the promise made during the last federal election, which was a logical promise, should be implemented. We want to be connected somewhere east of lake Nipigon with the other section. But I believe our section is being entirely forgotten at present.

To show how much money has been spent on the trans-Canada highway and how much more will have to be spent I will quote a few figures given in answer to a question of the hon. member for Nipissing (Mr. Hurtubise) as to the amounts of money expended on the trans-Canada highway in the province of Ontario for the years 1931, 1932 and 1933. The answer given was as follows:

1931	Nil
1932	$5,980,565
1933	273,242

It is easy to see that the federal government is satisfied as long as a road is constructed in the Ottawa valley and a certain amount of work done around the north shore of lake Superior, and our section absolutely forgotten. I may tell this committee that not a single inch of work has been performed west of Hearst and no move made in that direction. This is work of national importance. One of the finest and most rapidly growing sections of this country is being absolutely ignored, and at the same time the route by the north shore of lake Superior is by far the more expensive. Anyone familiar with the physical obstacles in that section will readily realize that it would cost millions more to route the road that way than through our section. There is still time to remedy the injustice that has been done. We still hope in our section that through the

influence of the Minister of Labour we shall receive the justice to which we are absolutely entitled. One feature strengthening that position is that to-day the province of Quebec is giving a lead in that direction. If my information is correct, presently a large body of men working north on the Mont Laurier road will be connecting on the C.N.R. with Senneterre and that will give the closest route from the maritime provinces and Quebec to Winnipeg. If hon. members will study the map of Canada they will see that nearly 600 miles would be saved by going via our section.

So in considering any national program of public works I hope the minister will see that a certain amount is provided for this highway between Cochrane and La Reine in the province of Quebec. There is only a short link on the Ontario side required to connect with the province of Quebec, about 72 miles in all.

Mr. GORDON: Might I interrupt a moment? As far as the trans-Canada highway is concerned I do not think the hon. member wants to be understood as saying that in his judgment the trans-Canada highway should go up to Senneterre and out to Manitoba in that direction. And I do not think he means that the road from Sheenboro to connect with Kipawa in Quebec is not being built because of any neglect on the part of the Dominion government, because the fact is we have received no schedule and no request for any contribution to that road which would connect with the Ontario roads passing through Rouyn down to Ottawa and Montreal. The Sheenboro-Kipawa-Ville Marie road is the one break which has necessitated the people in the north end of Pontiac and the Rouyn mining country coming down to Montreal and Toronto by the Ferguson highway in Ontario. I do not think the hon. member wants to be understood as meaning that the province of Quebec has given the lead to Ontario as far as opening up that part of northern Quebec is concerned, as compared with the efforts of the provincial government of Ontario in opening up roads in Ontario, which has been going on steadily and to an increasing extent each year. The Ferguson highway has been the outlet to the front, both Toronto and Montreal, for all of that north part of Pontiac to the present time, and still is as far as vehicular and motor traffic is concerned.

Mr. BRADETTE: Perhaps I have not made myself clear. The minister is familiar with the fact that Cochrane is situated on the Ferguson highway. He is also familiar with the fact that the province of Quebec has a good roadway system all the way from Senneterre to La Reine, near the Ontario border, which is only 82 miles east of Cochrane, and presently the Quebec government is constructing a road from Mont Laurier going northwest to Senneterre, which will give direct connection from Montreal to Cochrane, or at least La Reine, and will then be knocking at our door.

Mr. GORDON: Montreal now has direct connection with Cochrane.

Mr. BRADETTE: It has, by a roundabout way through the Ottawa valley; if you want to go from Montreal to Cochrane you have to go through the Ottawa valley to North Bay. The new road now being built by the Quebec government by way of Mont Laurier will mean a saving of at least 200 miles. Surely the minister is familiar with that situation.

Mr. GORDON: I am sure the hon. gentleman would not suggest that, when going through such a wonderful country, a person should take the shortest possible route and go as quickly as possible?

Mr. BRADETTE: I do not know whether or not the minister drives his own car, but I want to tell him that even if there is a converging road around the north shore of lake Superior, no matter how beautiful the country may be the people certainly will travel by way of Cochrane. Then there is the further advantage that people will be able to go one way and come back the other. To-day the province of Quebec is providing direct communication with the town of Cochrane, and I want the minister to realize the urgent need of constructing that 72 mile link, which is all that is necessary to complete that direct road. Within two years the province of Quebec will be tapping at our door, and we will have no connection between Montreal and Cochrane if this link is not completed. I know the minister is progressive enough to realize that we are entitled to have communication with the city of Montreal, and I have pointed out that we will have that communication when this remaining 72 miles of road is constructed. This is one of the public works which I believe should be carried on.

The minister also is familiar, no doubt, with the agitation, or activities, if I may call it that, in that section of the country for the construction of a highway from Timmins to Sudbury. The minister is aware of the fact that such a road would establish communica-

tion with such places as Shining Tree, Gowganda, Elk Lake, Matachewan and Porcupine, and would open up a rich territory, partly agricultural but mainly mineral.

Mr. GORDON: I wonder if I might interrupt once more. I am sure the hon. member knows, though perhaps it has slipped his memory, that the government of the province of Quebec, with whom rests the designation of the route within that province of what has been commonly termed the trans-Canada highway, have declared by order in council that the highway shall come to Lachute and cross into Ontario at that point. After it leaves Quebec, of course, they have no further authority, but that route has been designated by the government of Quebec as the trans-Canada highway. My own view is that this road by way of Mont Laurier would be a very useful piece of work, and while it may not be called the trans-Canada highway I assume that in time, with the annual improvements that will be made, it will become a very passable road. Then getting over into Ontario, I do not think the hon. member will deny that each year the highway from North Bay to Cochrane and west to Hearst is improved very materially. In fact I doubt if there is any gravel road in Ontario that is better than the Ferguson highway from North Bay on up to Porquis Junction and on to Cochrane and Hearst.

Mr. BRADETTE: I do not want the minister to put up a straw man only to destroy it; I have not said a word of criticism with regard to the Ferguson highway. I am going to make this prophecy, however; once the province of Quebec has direct communication with the town of Cochrane, through Mont Laurier, I am sure they will pass another order in council calling that the trans-Canada highway, if we then have direct communication with the western provinces. Of course if the promises made by the minister and his friends during the last campaign are not carried out, then we will be out of luck.

Mr. GORDON: I am afraid I will have to interrupt again. The hon. member mentioned the promises I made during the last election. I think he will search the records for a long time before he finds any promises I made.

Mr. BRADETTE: Will the minister deny that during the last campaign, in both our ridings, one of the strong planks in the platform of the Conservative party was the promise that the trans-Canada highway would go through that section of the country?

Mr. GORDON: No, I would not care to deny that.

Mr. BRADETTE: I know the minister will not deny that, because that promise was made in his own riding, whether it was made by himself or by his party. This must not be forgotten.

Mr. GORDON: It is not being forgotten.

Mr. BRADETTE: The promise will have to be implemented, and the Ontario government will have to come across with the proper routing of the highway. If I show some earnestness when I make that statement it is because I know what has happened in my own section of the country.

Again let me refer to the public works program. I have mentioned two matters, the construction of the communication road between Quebec and Cochrane and the road from Sudbury to Timmins. The minister is familiar with the situation in the north country, and he is familiar with the activities of those two large centres of population. He knows that a road between Sudbury and Timmins would open up a great mining area, and the federal government can help by implementing the public works program. I mentioned also last year that certain hazards in northern Ontario should be done away with. I have in mind more particularly what has happened in the minister's home town and in my own home town, where we had disastrous forest fires which in a few hours destroyed the results of years of labour. Most of the towns in northern Ontario are located in the virgin forest, and only a couple of years ago the city of Timmins had another scare; for a number of days smoke fogs hung over that town and the people expected daily that the fire would sweep through. Forest fires are always dangerous. I maintain that the government should find it possible to clear away all the inflammable material from around those towns for a distance of at least three-quarters of a mile in each direction. I know the minister is in sympathy with such a policy, and if it were put in force hundreds of young people would find employment.

May I again express the hope that this summer the government will find it possible to allow our settlers to spend most of their time on their holdings, and to receive some compensation almost equal if not equal to what they would receive if they worked on the colonization roads. Then I come again to the back to the land movement which I mentioned a moment ago. I believe my riding is one section of the country in which that policy has been carried out to the greatest extent. Hundreds of families have been

placed on the land there, and I may say that in most cases the venture has been a success. The fact remains, however, that last summer we had some very fine people brought from the industrial centres and placed on new farms miles from any road. Surely that should not be tolerated; surely it is within the power of the government to see that no families should be placed on new farms to which they have to pack on their backs provisions for themselves and their cattle. I believe the government should inaugurate a national program of colonization roads, not only for my section of the country but for the whole dominion. It is not my intention to speak at greater length, but I must repeat that under this resolution the people of Canada cannot find satisfaction for the hopes that were entertained at the beginning of the session. Some of the ministers in the Ontario legislature and of the federal government led the people to believe that a program would be inaugurated different from the one which after three years of application has been found wanting and has not proved a solution of our problems. Having given the problem of unemployment a very thorough study I believe that instead of improving conditions the present policy is aggravating them. Further than that, I know of hundreds of young people in my section of the country who are ready and willing to work on the farms. Some of them are college graduates, and they would be willing to go back to the new land if an opportunity were given to them. But that opportunity has not been offered.

Although I have many clippings before me from newspapers in my section of the country I shall read only a few comments from the Porcupine Advance, a newspaper published weekly and well known to the Minister of Labour. This newspaper may be termed a Conservative-Independent publication, and has always fought the battles of the north country with fair-mindedness. Part of an article written last autumn is as follows:

> From the earliest signs of the depression The Advance has maintained that only through the providing of employment could any true help be expected. In this young country of Canada there is so much work necessary for the development of the country that it seems absurd to refuse the opportunity for having some of the needs supplied in the way of public enterprises of various kinds. This was the solution promised by Hon. R. B. Bennett's government. It was the plan adopted first by that government and there is every reason to feel that it worked out with reasonable success.

[Mr. Bradette.]

I was not satisfied when two years ago the government found it advisable to abandon the policy of public works and to adopt one of direct relief. To-day I am not satisfied in my own mind as to why that action was taken. Some people have said that the cost of the work then done proved to be prohibitive. That is easily understandable when we remember that the work done in the winters of 1930 and 1931 was done in frozen ground. I am speaking of the construction of roads, ditches and other similar works. Surely if that policy had been followed during the summer months the cost would not have been prohibitive, and to-day the government should not be groping to find its way out of the trouble with which it is now faced.

In the name of the settlers and labourers in my section of the country, and in all sincerity I make the assertion that the people do not want the dole, but that they do want a chance to work. I am an ordinary layman, so far as financial matters are concerned, but undoubtedly if the American congress had seen fit to adopt the St. Lawrence waterways project this government would have found it possible to spend hundreds of millions of dollars on a national undertaking. Where would the government have found that money? I presume that the project would have cost the Canadian people at least half a billion dollars, and that money would have had to come from somewhere. But to-day the government does not find it possible to have a national program of public works whereby our people would find the employment they deserve and wish to have. If the money could have been found for proceeding with the St. Lawrence waterway scheme it should be just as possible for the government to inaugurate a policy of public works. Further than that, if to-morrow, in another war, Canada were called upon to defend her good name and ideals, even in European countries, money would be found; there is no doubt about that. Money was found, to the extent of $60,000,000, to back the credit of the Canadian Pacific Railway. Surely in this year of grace 1934, after the government has been experimenting for the last four years on policies which even their own friends and supporters have judged to be a complete failure, the minister should have something to offer better than he is offering at the present time. Some spokesmen of the federal government and some ministers in the Ontario legislature created the impression throughout Canada that the policy of direct relief would be abolished and one of national public works

would be inaugurated. In that way good times would be experienced again because of the fact that the working population would find it possible to engage in remunerative work and add to the prosperity which in Canada is so badly needed, and will greatly accelerate the quick return of normal times.

Mr. WOODSWORTH: I should not like to do anything which would interfere with the giving of relief, but may I say that this matter is brought before us now almost as an emergency measure. We have been in session for about two months, and one might have thought that with as great a problem as that of unemployment before us we would before now have had some concrete proposal brought down by the government.

As was suggested a few moments ago by the right hon. leader of the opposition, apparently up to date the government has no policy and is simply giving some relief when such action is forced upon it by the necessities of the provinces. I note that the measure we are now discussing is to be similar in terms to the Relief Act of 1933 and, as I have done before, I should like to protest that that measure of relief is wholly inadequate to meet the situation. May I be permitted to bring to the attention of the minister and hon. members the report of the committee on unemployment which was recently adopted by the dominion convention of the Canadian Legion. I think this was excellently put and summarizes well the objections to the present policy of Canada, if we may call it such, with regard to unemployment.

Mr. MACKENZIE KING: Lack of policy.

Mr. WOODSWORTH: Yes, policy or, as the right hon. gentleman has said, lack of policy of the government. I read from the report:

> The general tenor of the resolutions and statements before your committee clearly indicates that the members of the Canadian Legion regard the tragic consequences of unemployment as a menace to the stability of our national life. It is equally clear that they are determined to challenge any further delay in the utilization of the national resources and credit to the fullest degree, in order to remove the peril of wide-spread poverty throughout the dominion.
>
> It is considered that general attention should be directed to the following salient features of conditions resulting from prolonged unemployment and inadequate relief measures:—
>
> (a) Decreasing relief benefits with increasing living costs resulting in more general malnutrition and ill-health in the homes of the unemployed, with consequent danger of epidemics.
>
> (b) Dangerous depletion without replacement of household equipment and supplies, as well as clothing, causing unsanitary conditions and inability to exercise the ordinary precautions against physical disorders and infections.
>
> (c) The disastrous effects of prevailing conditions on the younger generation in the undermining of morale and physical stamina.
>
> (d) Insecurity of tenure of homes.
>
> (e) The lack of measures offering any hope for the reabsorption of the unemployed into industry, the segregation and branding of those compelled to accept relief as a class apart and outcast, and the perpetuation of conditions likely to create a permanent and dependent pauper class deprived of normal economic privileges and rights.
>
> (f) The general indifference and ignorance shown toward the danger of submitting a large section of the population to conditions of which the foregoing are indisputable features.
>
> (g) The tendency of some employers to exploit the circumstances of the unemployed in offering inadequate wages for temporary employment.
>
> (h) The increasing determination of the unemployed to defend their homes by any available means against the social injustice of enforcing degrading and perilous poverty upon them in the midst of plenty.

It is quite obvious that one might easily spend considerable time in expounding and illustrating each of these paragraphs.

These paragraphs are in clear and concise English and I intend to let them stand just as they are. I quote:

> Your committee is of the opinion that the gravity of the situation is such as to demand immediate and drastic measures of a temporary nature that the cumulative effects of prolonged unemployment may not further menace the well-being of the entire community.
>
> It is, therefore, recommended that this dominion convention of the Canadian legion urge upon the federal and provincial governments early ameliorative action with respect to the general problem of unemployment and relief, as indicated hereunder:
>
> (a) The promotion of a program of necessary public works maintenance and development, of sufficient extent and character as to absorb all able-bodied unemployed persons at a scale of wages that will ensure decent living conditions;
>
> (b) Pending promotion of a public works program an immediate increase in the scale of relief, commensurate with increased living costs, and with uniform application in all cities, towns, and municipalities;
>
> (c) Free medical, surgical, dental, and optical treatment for all recipients of unemployment relief and their families;
>
> (d) That in the operation of work camps regarded as essential in connection with public works projects, a minimum wage of $1.10 per day be paid in addition to provision of food, shelter, and clothing;
>
> (e) That more adequate and special provision be made for the protection of unemployed single women;

(f) That the provincial commands be requested to urge upon their respective provincial governments the necessity of protection for all unemployed persons against evictions and loss of their homes through foreclosure or tax sales.

Had these recommendations been made by a body other than the legion it is quite possible that those advancing them would have been called agitators, bolshevists or impossible dreamers. In my humble opinion they represent a sane and safe program which ought to be taken into serious consideration by this government. I quote:

Your committee recommends that the dominion executive council be instructed to urge upon the federal government the appointment of an economic advisory council, including economists, statisticians and engineers of unquestioned integrity and ability. It is further proposed that such council shall function in an advisory capacity to the government, with the main object of correlating all available data and preparing, as may be warranted by the facts, an outline of a planned economy under which,—

(a) Industry may effectively reabsorb human labour displaced by technological advancement.

(b) A national financial policy may be so determined as to properly relate distribution to production and enable such adjustment of the monetary system as will give paramount consideration to the economic needs of all the people.

Your committee further recommends that the convention endorse the following proposals in principle, and urge that same be brought under advisement by the federal and provincial governments and all industrial interests, as well as the proposed economic advisory council.

(a) That in order to spread available employment in industry, legislation be enacted to shorten hours of labour without reduction of properly established wage schedules, and that an immediate step be taken in this direction by the federal and provincial governments as applicable to all public works and publicly owned transportation systems.

(b) That piece work and overtime be controlled by government regulation so as to ensure maximum employment.

(c) That the educational age limit be raised, with adequate and free facilities for vocational training of the youth.

(d) That a general policy be instituted as regards old age pensions, superannuation, industrial pensions, et cetera, as may influence the general retirement of workers at the age of 55 years.

(e) That a rigid enforcement be given the application of minimum wage legislation.

(f) That sweat-shop conditions be abolished.

It is recommended,

That the federal government be urged to enact legislation during the present session establishing a national scheme of unemployment insurance.

I heartily endorse the report as adopted and commend it to the very careful consideration of the minister and the house.

[Mr. Woodsworth.]

Mr. MACKENZIE KING: The hon. member who has just spoken (Mr. Woodsworth) has drawn attention to the fact that the resolution states that the bill to be based upon it will be similar to the legislation of last year. I should like to ask the minister if it is the intention to include in the new legislation a clause to give the government authority to pass orders in council with respect to peace, order and good government. This was an emergency clause which appeared in the legislation of 1931 and again in 1933. I should imagine that by this time it should be possible to drop this clause, otherwise what is termed emergency legislation will become the general practice.

Mr. GORDON: The bill will invest the government with authority to take such measures as are deemed necessary for peace, order and good government.

Mr. MACKENZIE KING: I should like to protest very strongly against this power being given to the administration for another year. Originally it was introduced to deal with an emergency situation, that was three years ago. To-day we are not talking of emergency legislation but rather of continuing legislation. The minister's declaration simply means that the government is usurping entirely the functions of the House of Commons. I feel the more strongly with regard to the inclusion of such a provision this year, in view of the statement made only a night or two ago by the Prime Minister. I imagine the country will also resent such a step. The Prime Minister stated that the government had made a $60,000,000 guarantee to the banks in connection with the Canadian Pacific Railway Company and that this had been done under the provisions of this act which vests authority in the governor in council to legislate with respect to peace, order and good government. The Prime Minister stated that he intended to make use of powers thus delegated. In view of that statement, this house should consider more carefully than it has ever done in the past whether such powers should again be delegated to the government. This measure purports to be one for the relief of unemployment but in reality it is a measure for the granting of aid to large industries by enactments under peace, order and good government.

Mr. GUTHRIE: That was not done under that clause.

Mr. MACKENZIE KING: It is under that authority.

Mr. GUTHRIE: Subsection 2 (a) gives the power to make grants to corporations.

Mr. MACKENZIE KING: Subsection 2 (a) of what?

Mr. GUTHRIE: Of the act. That action was not taken under the peace, order and good government section; it is an express power given by the section.

Mr. MACKENZIE KING: It is the same power that is now being asked for.

Mr. GUTHRIE: The subsection reads:

(a) Upon such terms and conditions as may be agreed upon,—enter into agreements with any of the provinces respecting relief measures therein; grant financial assistance to any province by way of loan, advance, guarantee or otherwise; loan or advance money to or guarantee the payment of money by any public body, corporation or undertaking;

The peace, order and good government section is number 2-b.

Mr. MACKENZIE KING: The order in council may have been passed under a different subsection of the act, but it was passed by authority of the same act.

Mr. GUTHRIE: Yes.

Mr. MACKENZIE KING: I submit respectfully that the time has come when this house should be more careful than it has been up to the present in considering bills such as this which permit vast expenditures and vast guarantees. If that clause remains in the bill hon. gentlemen opposite may expect considerable discussion on the wisdom of its retention.

In the act of last year the amount for unemployment relief was fixed at a definite sum. Is there to be a similar restriction of the amount in the present act? If so, what is the figure?

Mr. GORDON: That question was given a good deal of thought. Up until the 10th of March there had been paid, on account of direct relief, in round figures, $13,000,000; that is, we had actually disbursed that amount. Unquestionably there will come in, after the 31st day of March, accounts which were incurred under the authority of this legislation. The exact amount of course it is difficult to determine, but there will be no limitation in this legislation because I believe that, with the new agreements that will be entered into, it would not be efficacious to stipulate a limit in the act. We might be met with an overplus, as we may be this year, a small amount, for which the bill will make provision. But I believe that under the agreements which we shall make with such provinces as cannot get on this year the amount given for direct relief will be very substantially reduced. I believe so, from what information I am able to gather regarding conditions in many of the industrial centres throughout Canada.

With respect to the other observation of the right hon. gentleman, the new legislation proposes to exclude the authority which was contained in last year's measure, appearing in section 2 (a), wherein the governor in council was invested with authority to loan or advance money or guarantee the payment of money by any public body, corporation or undertaking. So that if there is sound criticism that can be offered against the course the government takes with respect to the Canadian Pacific Railway or any other public body, the provision investing the government with authority to give such guarantees, loans or advances does not appear in the proposed bill, the reason being that, in the judgment of the government, this year will not see the necessity arise for executive action in assisting public corporations like the Canadian Pacific Railway.

Mr. MACKENZIE KING: I am pleased to hear the minister give that assurance to the committee, but may I point out to him that all that he has said is another reason why subsection (b) of section 2 should be excluded also—subsection (b) of section 2, or rather the similar section in the bill to be introduced—that is, the one which gives tc the governor in council power when parliament is not in session to pass orders for the maintenance of peace, order and good government. Let me read the concluding words of that section:

—and at all times to take all such measures as in his discretion may be deemed necessary or advisable to protect and maintain the credit and financial position of the dominion or any province thereof.

I am wondering whether, notwithstanding that it is proposed to delete the words to which the minister has referred, it will not still be possible for the government to do exactly the same thing under this general power. The minister excludes a specific power but retains the general power, and I hope that he will appreciate where his own argument leads him, and that before the measure is introduced he will give further consideration to the deletion altogether of that wide power, which I do not think should have been given at any time but certainly, in view of what the minister has just said, should no longer be continued.

I should like to discuss one other matter in this connection. The government has recently tabled an order in council dated March 12, 1934, which was passed with a view to instructing the auditor general to begin to audit the accounts of the municipalities and provinces with respect to unemployment relief. The minister will probably remember that at the special session of 1930, speaking on behalf of the opposition, I urged very strongly that the auditor general should be authorized and directed to audit all the accounts that had to do with the expenditure of public moneys for purposes of relief, in so far as they were voted by this parliament. We were told by the Prime Minister at that time that it would be an insult to the provinces to ask the auditor general to do any such thing. I believe he used that word or some word as strong as that; at any rate he used language the equivalent of it. This money we were told was being given to the provinces and they should be permitted to spend it as they thought best. After there has been no end of waste of relief moneys, as the minister well knows, after the sessions of 1930, 1931, 1932 and 1933, we come to the session of 1934, and find that the government has now instructed the auditor general to audit these accounts—to do something which at the present time it is impossible to do. Had such instructions been given at the beginning, had there been inserted in the contracts conditions which would have given the auditor general and his officers power to follow the various commitments and expenditures as they were being made, there might have been something in the nature of an audit. Let me read two clauses from the order in council:

> And whereas the audits and investigations which have been made and reported upon by the auditor general, in pursuance of the directions hereinbefore recited, have disclosed the necessity for a more extended audit of the accounts relating to relief expenditures if the interests of the dominion treasury are to be adequately safeguarded; . . . Now therefore His Excellency the Governor General in Council, on the recommendation of the Minister of Labour, is pleased in the exercise of the powers so conferred by the Relief Act, 1933, to order and doth hereby order and direct the auditor general to conduct such audit of provincial and municipal accounts in connection with unemployment relief expenditures as he deems essential to safeguard the interests of the dominion treasury.

There are two questions which I desire to put to the minister in this regard. First of all, this order makes reference to reports that have been made by the auditor general showing the necessity for a more careful and complete audit of the moneys spent on unemployment relief. Will the minister be able to give us these reports? No doubt he has them, because they must be made to him or to the Minister of Finance or to the Prime Minister. I submit that the committee ought to have the reports before it is called upon to approve of the renewal of a similar measure.

In the second place, will the minister tell us how the auditor general will find it possible at this time, the year of 1934, to conduct an audit of provincial and municipal accounts, in connection with unemployment relief expenditures, in such a way as will be sufficient to safeguard the interests of the dominion treasury? The moneys have gone to all provincial governments and to municipalities from the Atlantic to the Pacific. There is hardly a community in Canada in which some of it has not been spent. And now, with a view to having it appear that the government is seeking to audit relief moneys, it instructs the auditor general to do something which anyone reading the instructions will find to be a wholly impossible task, even if the auditor had an army as staff. I should like the minister to tell us just how the government expects the auditor general to be able to audit these expenditures in a way that will protect the dominion treasury, and particularly how he will audit accounts of provinces and municipalities, seeing that there was no condition put in the contracts in advance giving him this right. In view of that, how will he audit the accounts of the municipalities and provinces?

Mr. GORDON: With respect to the first question, the auditor general has from time to time made the reports which have been referred to and they will be made available to the committee.

Mr. MACKENZIE KING: Will my hon. friend have them laid on the table at his earliest convenience?

Mr. GORDON: I can have that done. With respect to the general observations made by the right hon. gentleman, the auditor general has been making test audits, I believe, since the expenditure started under the various relief measures, and it was as a result of the test audits he made that something over a year or a year and a half ago the first order in council—I do not have it before me—was passed. At any rate, one was passed as a result of conferences or at least one conference I had with the auditor general. Probably

it was as a result of an interview and conference the auditor general had with the director of unemployment relief, the auditor general was asked to audit the provincial accounts and he has made audits of them.

Mr. MACKENZIE KING: What provinces?

Mr. GORDON: I believe he made audits of the accounts of all the provinces with the possible exception of Prince Edward Island, but whatever audits he has made, I shall have the reports tabled. In the course of the auditing of the provincial accounts it appeared that there may have been a laxity in connection with certain municipalities. Of course the Department of Labour has no audit system set up and as a result of the investigations made by the auditor general it was deemed desirable that he be instructed to carry out the audit as set out in the order in council to which reference has been made.

Mr. MACKENZIE KING: I must say that I am surprised at the statement the minister makes, if he says that the auditor general has audited the provincial accounts. Has he gone to each province and audited all the accounts that have to do with unemployment relief?

Mr. GORDON: I believe he has gone into all the provinces and audited the unemployment relief accounts in all of them. That is the provincial accounts.

Sir EUGENE FISET: Surely the minister is mistaken. I think the auditor general has been instructed to audit, so far as the provinces are concerned, only that portion of the accounts that has been paid to the provinces by the federal government, and not the money paid by the provinces as their share or by the municipalities as theirs.

Mr. GORDON: Just with respect to federal moneys.

Mr. MACKENZIE KING: All the auditing the auditor general has done is to the extent of discovering whether cheques that have gone from the federal treasury have reached the provinces, but he has not followed the expenditure of the money, notwithstanding it is federal money that is in part involved. That is the point. When the minister says that the auditor general has audited the provincial accounts, he creates an entirely erroneous impression in the minds of those who hear him. All the auditor general has done, according to what the minister now says, is to see that federal moneys have been paid over to the provinces in accordance with the terms of the agreements that were entered into with those provinces, but he has not followed the payment of those moneys by the provinces to the municipalities or by the municipalities to the persons to whom the money has been paid. That is the only audit that would amount to anything in revealing what was or was not wasted. Does the minister believe it possible for the auditor general and his department to audit now moneys that have been derived from the federal treasury with respect to the uses to which they have been put and to whom and how the expenditures were made?

Mr. GORDON: I can see no insuperable difficulty. The agreements with the provinces under which the advances by the dominion were made are clear. While certainly it will be quite a task, I do not think there is any reason to believe the auditor general cannot see to it that the moneys have been disbursed in accordance with the agreements entered into and the regulations made thereunder.

Mr. MACKENZIE KING: What were the terms of the agreements respecting audit? Can the minister give us that information?

Mr. GORDON: I am looking now at the agreement with Quebec for 1933, and the only reference made to accounts appears in section 10 which reads:

> Statements of accounts for expenditures made by the province and municipalities pursuant to the provisions of this agreement shall be submitted by the province to the Dominion Commissioner of Unemployment Relief, accompanied by a certificate of the appropriate provincial authority that expenditures have been duly made in accordance with such statements; and such statements and certificates shall be in the form prescribed by the Dominion Commissioner of Unemployment Relief.

That is the only reference in the agreement, and I believe that same form of paragraph was incorporated in the agreements with the other provinces. But while in the paragraph itself no mention is made of the auditor general, I do not think that precludes the Dominion government from instructing him to audit the accounts of the provinces or of the municipalities. I cannot conceive that by reason of the agreement not in terms stating that the auditor general must make an audit in such a way, he is divested entirely of any right to go ahead even without instructions.

Mr. MACKENZIE KING: It is apparent that so far the auditor general has done nothing beyond what I indicated, namely making sure that the moneys were paid over to the provinces. So far as the expenditure of those moneys is concerned the Dominion Commissioner of Unemployment Relief is really acting as auditor of them, and that only to the extent of accepting certificates from the provinces themselves, if we are to judge from what the minister has just read.

Mr. GORDON: No, it will be disclosed that the auditor general has been making what he calls test audits—

Mr. MACKENZIE KING: That is a different matter from a general audit.

Mr. GORDON: —and he has audited, I believe, all the provincial accounts with the exception of possibly those of Prince Edward Island. As to the extent of his audit in each case, I am not prepared to give much information because I am not an auditor, but his reports will be laid upon the table for examination by those members of the committee who are probably more familiar with audits than I am.

Mr. MACKENZIE KING: We will leave that until we get the reports. Let me draw the minister's attention to the fact that a test audit might relate to an expenditure of a few thousand dollars at the most, whereas a total audit of what has been paid out or guaranteed under these measures would cover over $100,000,000.

The minister intimated that the amount required for unemployment relief might be less next year than it was last year, and he went on to say that for that reason the government was not going to ask for a specific amount. In other words the government intends to revert to the old practice of asking for a blank cheque. It seems to me that is going again entirely in the wrong direction. We succeeded at the last session in getting the minister at least to provide a specific amount, but he alleges now that because he expects that less will be wanted he is going to ask that the government shall be given a blank cheque for unemployment relief. That is something which will be very strongly objected to, and I suggest that the minister consider the matter carefully before asking parliament to adopt again any such procedure. What this measure amounts to, as described thus far by the minister, is that the government shall again be provided with authority in the nature of a blank cheque for the expenditure of public money and blanket authority to legislate as it pleases with respect to anything it may wish to classify under the heading of peace, order and good government. In the fifth session of this parliament and at a time when the country is expecting a general election in the near future, I think these are powers that should not be granted to the administration under any consideration.

Mr. NEILL: Would the minister be prepared, either now or after eight o'clock, to make a statement on the subject of unemployment insurance? He made a statement a year ago when we were discussing a similar measure. I think the committee would like to have a statement as to what has taken place since then, what the situation is now, and what we may reasonably expect in the future.

Mr. GORDON: When the estimates of the Labour department were before the committee some days ago a question was asked as to the policy of the government with respect to unemployment insurance. At that time, I made an answer to the question, and I can make no further answer to-day.

Mr. NEILL: As far as I remember the answer was an evasion of the most patent character. In fact I think it was a suggestion that the question was out of order. I am sorry if that is the best the minister can do after a year's interval and after the very definite statement of the Prime Minister three years ago that before his term of office expired the government would "crystallize into legislation" the information that they intended to procure, and which later statements indicated that they had procured. The minister's statement now will not be at all satisfactory to the people who were led to believe that some action was to be expected in the near future. If that is the best we can get I suppose we will have to be silent, or at least let it stand.

Then in connection with the powers contained in this proposed measure would the minister state whether in dealing with peace, order and good government such powers would in his opinion be sufficient to enable the government to alter or amend or modify any terms of, for instance, the Dominion Elections Act? That is a very important consideration in view of the possibility, if nothing stronger, of an election this year. It is highly desirable that the house know whether the powers could be so used. Whether they could be so used or not, I hope the minister will be able to assure the house that they will not be. It may be that there are reasons why

the government should be given these large powers, but I cannot think of any possible circumstances which would justify the exercise of them in connection with the Dominion Elections Act.

Mr. GORDON: I do not think that elections or the elections act have much to do with peace and order, though they may have something to do with good government. I assure the hon. member for Comox-Alberni that this power would not be sufficiently comprehensive to enable the government to interfere with the Dominion Elections Act. If it were, I think I can speak on behalf of the government and assure the hon. member that the government will not use any such power to change the Dominion Elections Act.

Mr. REID: There are one or two matters that I would like to draw to the minister's attention, and some suggestions I would like to make to him arising out of this relief measure. I want to speak particularly of the extra burden being carried by the province of British Columbia in connection with transients. Would the minister tell me if I am correct in understanding that the registration of these transients was stopped on September 30, 1932, with the result that all transients coming into the province after that date became a charge on the cities and municipalities? Many of these transients are being cared for by welfare organizations, particularly in the cities of Vancouver and New Westminster; the information given to me is that there are at the present time some 10,000 new transient arrivals in that province since the regulation went into force. The province found on going into the figures that against that there are in other provinces some 2,000 transients belonging to British Columbia, which leaves 8,000 on relief in that province who are not and should not be a direct charge on either the municipalities or the province. That is something of which I think the dominion government should take note. The government cannot very well take the attitude that it is not their responsibility but that of the province. The provinces cannot bear the expense resulting from the influx of transients, neither can they stop people from coming in.

The latest figures on relief, those of January 19, show some 97,100 persons on relief in the province. Out of that number there are 10,000 transients. In the city of Vancouver alone there are over 720 transient families; in Burnaby, 157, in New Westminster, 45. All told there are 1,058 transient families in the lower mainland of British Columbia alone. This is too great a load for these cities and municipalities to carry, and I think the Dominion government might well assume the whole of this obligation.

But the more one goes into the question of relief and its administration the more one realizes the wisdom of the suggestion made from this side of the house that a commission should handle or supervise the whole matter throughout the dominion. I cite one case which is a striking illustration of the cause of trouble and dissatisfaction in this country. People are prone to judge by comparisons. I was asked to attend a legion meeting in Langley prior to coming to Ottawa, and one matter under discussion at that meeting was the case of a German and his family who, coming from Germany, had been in the country five years and one month and who were receiving $30 or $31 per month of relief. Living near him were returned men who were receiving only $10 and $11 a month. The feelings of those returned men can be well imagined when this German showed them the cheque received from the government for $30 or $31, when all they got was $10 and $11 a month. Perhaps the minister will say: That is not our doing; it is up to the municipality and the province. But the minister knows quite well that British Columbia is totally unable to carry a much heavier load than it is carrying. Many of the municipalities have their backs to the wall; in fact three have been in the hands of the receivers for the last two years. The municipality of which I speak, in which this case occurred, has been carrying an extremely heavy load and finds it difficult to provide even $10 or $11 per month for those who are destitute. That is just one of those things which, in these days, bring about unrest and foment a great deal of trouble, and I can tell the minister that the feeling was very high in that returned men's organization in connection with the treatment given this transient who had been in the country just long enough to be beyond deportation and who received this sum of money. I do not altogether object to his receiving help, but I think the case should bring before the committee the necessity for some more equitable system under which there would be an even scale of wages provided.

Now I am going to make a few remarks, Mr. Chairman, with regard to the question of the dole and work. I was one of those who advocated that work should be performed by those receiving assistance, and I think it was a mistake when that policy was changed to allow the provinces and municipalities to do

as they wished in the matter. Some municipalities require work in return for the little they give, while other municipalities provide the relief and do not ask that work be done. That is not conducive to peace, order and good government; it brings about a good deal of trouble. Before the Department of National Defence took over some of the camps we had the spectacle of men, who were clothed and fed but who were not required to work, walking down the street and talking to men who were working, almost intimidating them, sneering at them and telling them to throw down their tools. Cases like these make me feel that the suggestion that some commission should handle relief should have been acted upon, so that a more equitable method could have been inaugurated in this country and some uniform scale worked out. Then useful work could be done and no municipality would be allowed to give relief unless work was done.

I should like to make a plea to the minister in connection with the youth of this land. He may very well say that it is up to the provinces to take care of the young people, but the youth of the land present quite a serious problem. I am going to make one suggestion that I think might well be adopted by this country. I only point to what is taking place across the line, where many of the youths are being employed in the reforestation of burned-over areas. I think there is plenty of work of that kind in Canada that could be done to advantage, and in the days to come the country would reap the benefit of that work. We have the land, we have the seed plants and we have the youths who to-day are gathering in the cities debating and wondering what the future holds for them and what parliament is going to do for them. Thousands of these youths of eighteen to thirty are destitute; they have no outlook upon life at all, and have almost lost hope.

There is another matter to which I think the attention of the minister should be directed; I refer to the question of single men who live with their parents. I attended a meeting in New Westminster last year which was also attended by representatives of the Fraser valley men as well as by an official of the department in Ottawa. The question of single men occupied the attention of that meeting for about three hours, and it seemed that no one could really say what were the regulations with regard to single men who lived at home. I want to cite one case which I think illustrates the lack of common sense in dealing with this problem. Municipalities which demand work in return for relief also demand that the work be done by the head of the family only. I have in mind the case of a man seventy years of age who has three sons at home, ranging from twenty-one to twenty-eight years of age. These sons are unemployed and are being kept by the relief secured by their father who was compelled to work. Surely something should be done in such a case. It is only a matter of common sense; it does not require a great deal of expert knowledge to straighten out many of these matters. Many parents in British Columbia are forced by the regulations to put out their children; as they are unable to keep them. Many people had three or four single boys at home for whom no relief was provided under the regulations, because presumably their father had a home. When their parents turned them out into the street, however, they were then cared for by the Dominion government.

I think the minister should take note of these things, because it is not right for him to say that this is a matter entirely for the provinces and the municipalities. I think I am right when I say that the regulations were drawn up by the Dominion government, and the provinces that came here to ask for relief had little choice in the matter. They were not in a position to dictate as to the regulations or as to the amount of relief which could be given. They were almost in the position of beggars, so to speak, coming to the Dominion government for help, and my information is that the regulations were drawn up by the Dominion government. So I think it is only my duty to bring these matters to the attention of the minister. I think many of these cases could and should be straightened out, and these regulations lend themselves to fomenting trouble and unrest among our people. When I sit down I should like the minister to tell me how many provinces have been asked to return the funds that have been misspent or misappropriated, and I should like to know the amounts as well. Perhaps the minister would also tell me if his department has any men in the labour camps other than those conducted by the Department of National Defence.

Mr. GORDON: In answer to the last question, in addition to the National Defence camps the government has camps in the national parks of Canada under the Department of the Interior. With respect to the second question, I will obtain a memorandum with regard to the refunds made by the provinces of moneys that were spent and that did not come within the regulations.

With regard to the other observations made by my hon. friend it must be remembered

that the question of single, homeless men arose in the western provinces some two and a half years ago, when people were riding the rods and giving a great deal of trouble to local municipalities. Representations were made by the western provinces, including British Columbia, that they could not take care of these single homeless men, and as a result the burden of caring for them, to the extent that they were eligible to enter the federal camps, was taken over by the Dominion government. It is so easy for a province to say, "We will shift our burden to the dominion if we can; we cannot carry it." But the provinces have their responsibilities; under our constitution they have certain rights reserved to them, and certain rights invested in them. That very fact alone gives rise to corresponding responsibilities. I think that perhaps after the last dominion-provincial conference there will be a better understanding of the relationships between the dominion and the provinces with respect to the capacity of each in connection with the revenues and sources of revenues to which each could resort. I believe there is a better understanding as to the efforts which each could put forth in the discharge of the responsibilities resting upon it. I shall make only this observation, namely that if we had a different type of constitution this matter would become immeasurably less complex. But, mention that fact to a premier of a province and one does not get very far. The time may come however when the provinces will have to understand that if they seek to render clear their own position under the constitution they must be more astute in seeing that the corresponding responsibilities upon the provinces are assumed by them.

Mr. REID: So that I may have a true picture of the situation, do I understand the minister to say that all the single homeless men are taken care of by the dominion? I should like to have an answer to that, because the information I have is that since the regulations were made 10,000 transients who are not eligible for registration have come into British Columbia, and have become a charge on the cities of that province.

Mr. GORDON: I said that the dominion assumes one hundred per cent of the cost of maintenance of single homeless men who are certified by the Department of National Defence as being eligible to go into the National Defence camps to obtain work. Unquestionably there are those who are unable to work, and then there are others who will not work—do not forget that there is such a class of persons in this country. Then there is another class who will work only at jobs they like and under conditions they themselves lay down. But one hundred per cent maintenance is provided by the Dominion government for those men who are certified as eligible to work in the National Defence camps.

Mr. REID: I shall have to accept the minister's statement, but may I explain that I attended a government unemployment relief office the week I left British Columbia, and the information given me, and which I have before me, was that the men in the camps were one hundred per cent the charge of the government, but that there are great numbers for whom no provision has yet been made, owing to the fact that the camps are filled, and that in connection with them only fifty per cent is chargeable to the Dominion government. That was the information given to me by the provincial relief office.

Mr. GORDON: With respect to those others who for one reason or another are not certified as eligible to go into the camps, the federal government carries fifty per cent of the load.

Sir EUGENE FISET: As explained only a few days ago by the Minister of National Defence is it not a fact that these concentration camps have a limited establishment, and practically speaking they take care of only those people who apply for entrance to them? Let us for instance consider the province of Quebec; in that province there is only one concentration camp, and it is located at Valcartier. From Valcartier to the Gaspe peninsula is a distance of nearly 360 miles, and I need not tell the minister that it is practically impossible for anyone applying to enter those camps either from Gaspe or the county of Rimouski to be accepted as eligible and to be admitted. That is the reason why last year the board of trade of the city of Rimouski asked the Department of National Defence to establish a second concentration camp at the aviation field in Rimouski. Unfortunately the matter is still under consideration, and for that reason I should like to call the attention of the minister to the fact that between Valcartier and the Gaspe peninsula there is no such concentration camp. The consequence is that not only are those people unable to take care of the single men, but in order to place anyone in the camp we have to make application which sometimes does not reach headquarters for three weeks. May I assure the minister that the system adopted has not operated successfully.

Mr. GORDON: It was only in the provinces of western Canada that the position with respect to single homeless men became acute. When the Dominion government assumed responsibility in western Canada, Ontario, the province of Quebec and the maritimes made representations with respect to a similar class of single homeless men within their borders. Provision was made to take care of those men in the eastern provinces, in so far as it was within the power of the organization of the Department of National Defence so to do. Wherever in their judgment work of a useful character could be done, camps were established. At the moment I cannot give the names of the places where camps have been formed but I believe that information was spread on the record only a few days ago by the Minister of National Defence.

The CHAIRMAN (Mr. Maloney): Shall the resolution carry?

Some hon. MEMBERS: No.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. MITCHELL: Is it the intention of the government to launch its building program under this bill, or will separate legislation be brought down for that purpose?

Mr. GORDON: I would prefer to wait until the Prime Minister is in the chamber before answering that question.

Mr. MACKENZIE KING: I asked the Prime Minister (Mr. Bennett) at the beginning of the session whether it was the intention of the government to introduce its building program in the form of estimates similar to public works estimates. He assured me that estimates would be brought down in a similar manner, and I hope that that decision is to be adhered to.

Sir EUGENE FISET: Just before recess, and in answer to the hon. member for Témiscouata (Mr. Pouliot), the minister read a schedule of works which had been approved of for Quebec. I gathered from the remarks of the minister that it was the intention to abandon this system of relief in so far as certain provinces were concerned. I should like to know if the government intends to go on with the system of tripartite agreements between the municipal, provincial and federal authorities. I should like to know also if works already approved by order in council but not yet started are to be proceeded with. The minister will recall that last summer I communicated with him in connection with the construction of a bridge at Trois Pistoles in the county of Rimouski. The minister replied that only one work was being approved for that county, and that was at St. Fabien. The minister apparently forgot that last year there was an amalgamation of counties under which the town of Trois Pistoles was transferred to the county of Rimouski. I think he will find the schedules show that this bridge has been approved but appears as in the county of Temiscouata. I am afraid I neglected to mention that this town had been transferred to that county, so the fault is just as much mine as his. I took the trouble to inquire of the provincial authorities whether an application had been made for this bridge, and they told me that it had been not only recommended but approved by federal order in council. Because of the winter starting so early last year this bridge was not commenced; the construction would have been too expensive. I should like to know if in order to have this work proceeded with during the coming summer the town will have to make a new application to the provincial government, or will the order in council already passed be sufficient authority to proceed with the work?

Mr. GORDON: The present legislation expires on March 31, as do the agreements made under it. The bill which will be founded upon this resolution will contain a clause to provide for payment after March 31, 1935, for any works submitted by a province and approved by the dominion which have been commenced but which, if discontinued, would result in the loss of the work already done. As I recall, the application for the bridge to which the hon. member refers was submitted last fall by the province of Quebec, and that submission was approved by the dominion. Unfortunately the provincial authorities decided that the work could not go on during the winter, and just how the people in that locality have survived without that work going on—

Sir EUGENE FISET: Public charity.

Mr. GORDON: —is something of which I have no knowledge. My opinion is that it would not be within the powers of the dominion to subscribe to a work which was approved under an agreement and a statute which expire at the end of this fiscal year. If the province of Quebec or any other province maintains that help is needed for their indigent people which they cannot provide, this would have to be the subject matter of

a new agreement. I trust that if such an occasion arises there will be no undue delay in determining the provisions of such an agreement.

Sir EUGENE FISET: I take it that if a petition is launched by the town of Trois Pistoles and the application is recommended by the province of Quebec, as authority has already been given for this construction the minister will give the application his kind consideration.

Mr. GORDON: I will be kindness itself. All of these matters will have to be the subject matter of an agreement to be entered into with the province.

Mr. MACKENZIE KING: The resolution states that the bill is to be similar to the one passed in 1933, but it goes on to say that it also makes provision for payment of the federal proportion of delayed relief accounts, if any, which may be received subsequent to the date of the expiration of the act. Is anything more implied in these words than is to be found in the last section of the act as it now stands, which provides that on the expiration of the act:

—any obligation or liability incurred or created under the authority of this act prior to the 31st day of March, 1934—

It would be the thirty-first day of March, 1935, in the new bill.

—may be paid and discharged out of the Consolidated Revenue Fund notwithstanding the expiration of this act on the said date.

Is anything more implied in the words that appear in the resolution than appears in the act itself?

Mr. GORDON: The act which will expire on March 31 had a provision limiting to the sum of $20,000,000 the amount which the federal government could contribute to direct relief. That of course was merely an estimate made by the officers of the department after a review of the whole dominion picture as they saw it. The situation at present is that up to March 10 the dominion, under the various provincial agreements, has been called upon to pay some $13,000,000 odd towards direct relief. The winter has been a very severe one and it may be that in view of the fact that the accounts are always delayed, sometimes two, three and four months, and in the case of Montreal many months, the $20,000,000 provided for in the legislation will not be sufficient. I cannot say whether it will or will not be, but the bill which it is now proposed to introduce will take care of the possibility of that $20,000,000 being exceeded by accounts which will come in after March 31. The present bill also goes a little further than last year's measure when it makes provision for payments out of the dominion proportion under the agreement with the provinces in order that building works and other undertakings of that kind which have been started and for some reason or other have not been completed before expiry of the act may be carried out. Authority is sought to make provision for the dominion contribution in order that these works can be completed after March 31, 1935.

Mr. MACKENZIE KING: That, I think, is a provision which will have to be considered with a good deal of care, particularly in view of what the minister said this afternoon, that it is not the intention to limit the total amount of expenditure under the bill, but that the government will ask for a blank cheque to enable it to expend whatever it wishes under the provisions of the act. If the ministry seeks that power it will have to give the house pretty definite assurance that it will not be authorizing the expenditure, in 1934-35, of moneys that may run on to 1936, 1937, 1938 or 1939.

Mr. ROSS: Will the regulations under which this act will be enforced be the same as the regulations that were applied in 1933? I would remind the minister that certain municipalities ruled that small property owners with property assessed at five, six or seven hundred dollars could not get relief, while relief went to the tenants of large property owners, so that the large property owner was assured of his rent, whereas the small property owner had no relief and no assistance in the payment of taxation.

Mr. GORDON: That is another question that will have to be dealt with when we confer with the provinces, if this legislation passes. There are undoubtedly some property owners who are having some difficulty at this time, but it must be borne in mind that governments as well as individuals are having difficulties, and there is a limit beyond which the government cannot go in assisting various classes of individuals who find themselves in difficulty. I cannot be more definite with respect to the question asked, and can only say that when the conferences with the provinces take place, which will be immediately after this legislation is passed, all these matters will be taken into consideration.

Mr. GARLAND (Bow River): Does that include the question of single and married persons, or is it proposed to take care of single as well as married persons under the act?

Mr. GORDON: That also will be a matter of conference with the provinces as to what their difficulties are which they cannot take care of, and the extent if any to which this government should go towards contributing to the provinces.

Mr. GARLAND (Bow River): It is proposed that this is to be again a tripartite agreement.

Mr. GORDON: That is, between the provinces and the municipalities and the federal government?

Mr. GARLAND (Bow River): Yes.

Mr. GORDON: That will have to be a subject of conference with the provinces.

Mr. VENIOT: In 1932 or 1933 I called the attention of the minister to the housing act, under which the dominion government loaned the provinces so much money for the construction of homes for labouring men and others, the administration of which was placed under the provincial governments; and I pointed out then that if an arrangement could be made by which those people owning such houses, having had them built under the housing act, could be given an extension of time, it was desirable that this should be done, instead of having the period of depression counted in the twenty years stipulated. I pointed out that it was difficult for them under the circumstances to meet the conditions imposed by the housing act. The minister then said that he would take the matter up with the provinces, and that was done. In New Brunswick the matter was considered by the provincial government, but the terms under which they attempted to relieve the situation were such as could hardly be met. I think a two year period was given. The result has been that some of those people who had their houses built under the scheme, and were unable to meet the two year condition, had to lose all they had put into the property. When the provincial conference takes place, would it not be possible for the minister to discuss the whole situation with the provinces to see whether some better terms could not be adopted? The hardship is too great that workingmen and salaried men who have invested in properties valued at $4,000, $5,000 or $6,000 under the scheme and had made all their payments prior to the time the depression started, should lose all they had put in. I know one or two cases in my own town where the hardship has been very serious. The people were unable to come in under the two year extension and the result is that they were virtually put on the street; they had to walk out of their houses. The town had to take those properties over, and it cannot sell them because there is no demand for them. It might rent them, but it would have to do so at a great deal less than it was getting under the housing scheme. The new system is causing a loss to the town, because it is responsible to the provincial government for collecting the money which is lent to the town at five per cent, and the result is a hardship to the town treasury. It would be desirable if an arrangement could be made between the federal and provincial governments whereby they would extend the term until the end of the depression, especially to people who had been making their payments prior to the start of the depression. This would not cost the federal government anything, but it would be doing much good and would be of great help to those people. I hope the minister will consider the point I have made and bring it up at the provincial conference when it takes place.

Mr. GORDON: If my recollection serves me correctly, the housing scheme came into being in 1919. The general plan was—and the hon. member for Gloucester (Mr. Veniot) will correct me if my recollection is wrong—that the dominion lent money to the provinces, the latter in turn lending it to the municipalities for the purpose of erecting moderately priced houses on an amortization scheme covering a period of twenty years. That was taken advantage of by a number of cities and towns. My view is that if in any of the municipalities that took advantage of the housing scheme the people find themselves, after having made payments for a number of years, unable because of present conditions to continue doing so, this would be a very proper matter for discussion with the provinces concerned, I shall be glad to take a note of it.

Mr. VENIOT: The minister will remember that the province took the matter up at his request, but the terms are not ample; the two year period is too short.

Mr. GARLAND (Bow River): In the bill of which this resolution is the forerunner is it proposed that any particular program of federal works for the relief of unemployment shall emanate directly from the dominion itself, or is every action to be taken in conjunction with some agreed upon plan with the provinces?

Mr. GORDON: The bill to be founded upon this resolution does not contemplate federal works strictly so-called, as referred to by the hon. member. It has been said that

the Prime Minister has made a declaration as to how federal work shall be carried on, and of course this may and probably will be the subject of a special act. Certainly it does not spring from this proposed legislation.

Mr. GARLAND (Bow River): I remember very distinctly that the statement was made in the newspapers—whether by the Prime Minister or by somebody else is another question—that a program of public works for the relief of unemployment was to be started by the Dominion government in the spring at a cost of something over $50,000,000. The figures and the details were given. Now it appears that this is not to be a purely dominion scheme but it is to be a tripartite or at the very least a two-party proposal. Can the minister give the committee any idea of the amount of money it is proposed to expend under this scheme? I ask him particularly because western newspapers mentioned a specific amount and actually had it divided into a certain allotment for each province. Is it to be $50,000,000 for the whole country, or how much is it going to be?

Mr. GORDON: I have no doubt if the newspapers carried a story that the sum of $50,000,000 or $100,000,000 was to be expended in federal works, it would be immediately divided up in various ways by those who were to be benefited. There would be no hesitation or delay about that. That legislation is not now before the committee or the house. Undoubtedly there will be federal works projected, federal works that are essential.

Mr. GARLAND (Bow River): Purely federal?

Mr. GORDON: Yes, quite outside and apart from any provision that is made in this legislation for taking care of needy people in various parts of Canada.

Mr. GARLAND (Bow River): Then the scheme is to be a sort of two-fold one. It is proposed to continue the tripartite agreement of the past, and, in addition, to launch a program of public works financed purely by the federal government. Is that correct?

Mr. GORDON: The hon. member for Bow River is, so far as my knowledge goes, correct in what he says. Of course there never was, strictly speaking, a tripartite agreement; it was purely a bilateral one.

Mr. GARLAND (Bow River): That is correct, but there were three parties involved.

Mr. GORDON: Not so far as the federal government was concerned. We dealt only with the provinces, and they in turn dealt with their municipalities.

Sir EUGENE FISET: The scheme is usualy described as tripartite.

Mr. GORDON: I had not heard it called that.

Mr. GARLAND (Bow River): Technically the minister is correct, but usually it is described as tripartite.

Mr. MITCHELL: At eight o'clock I asked the minister whether a building program was to be launched under this legislation. Now the minister says that it is not contemplated. Previously this evening he said that the Prime Minister would make an announcement in that regard. From the answer given by the minister to the hon. member for Bow River I understand it is not the policy of the government to include the building program in the four corners of the present proposed legislation.

Mr. GORDON: I thought I had made the position plain. The federal building program to which reference has been made will be purely federal, dealing with essential federal works.

Mr. VENIOT: Under control of the federal administration?

Mr. GORDON: Quite. Under this legislation it is competent to enter into an agreement with the provinces providing for contributions to provincial or municipal works. But it is greatly to be desired that that will not be necessary. And that of course will have to be the subject of conference with the provinces because I think there are no provinces that desire to add unduly to their provincial debt by expenditures of public moneys that can be avoided.

Mr. MITCHELL: That is not an answer to my question. What I asked was, in view of the reply given to the hon. member for Bow River (Mr. Garland), whether the contemplated building program that the Prime Minister spoke of in Hamilton last evening is going to be launched within the confines of this particular legislation.

Mr. GORDON: No, it is not.

Mr. MITCHELL: That is all I wanted to know.

Mr. GARLAND (Bow River): Will the minister answer the question I asked a little earlier? Can he give any idea of the amount of money proposed to be expended under this resolution? Is it $50,000,000? Is it $75,000,000, or what amount is it? Surely there has been some discussion of the amount.

Mr. GORDON: I cannot forecast how much money may be spent under this proposed legislation. I can only say that as far as the government is concerned no money will be spent that is not found to be absolutely necessary.

Mr. GARLAND (Bow River): And the minister has no estimate?

Mr. GORDON: No.

Mr. MacINNIS: Could the minister tell us how many persons were receiving direct relief to which the federal government contributes, say at the end of February this year?

Mr. GORDON: It is difficult if not impossible to answer that question, because in the returns made to the department by the provinces, which in the main I should think are gotten from the returns made by the municipalities to the provinces, the figures are compiled, I gather, on the basis that if a person gets relief for a day or a week he is included just as if he had been on relief during the whole month. So it is impossible to tell just what it amounts to in numbers, unless one went into the question of how many meals were served and so on. I think that by far the larger proportion of those receiving relief do not get it continuously throughout the month. They may be on relief for a day or a week, then get work and be off relief for a week. So that any figure that can be compiled would not be of much value. We have figures, which I confess I do not rely upon, as to the cumulative numbers—let us put it that way—of those who during the month have received relief from the municipalities, the provinces and this government.

Mr. MacINNIS: Evidently the department has some figures to which the minister has referred. Would the minister let the committee know how many received direct relief for the month of February last, regardless of whether it was for one day or the whole month?

Mr. GORDON: For the month of February the estimates sent in by the provinces showing the number of heads of families given relief—and this means direct relief for varying periods; it might be one meal for a day or a week, or the whole month—the cumulative figures are, 267,853 heads of families throughout the dominion.

Mr. MacINNIS: Has the minister the figures as to the number of dependents of these heads of families?

Mr. GORDON: The number of dependents for the same month totals 955,334; and the same observations apply to dependents as to the heads of families.

Mr. MacINNIS: Will the minister now tell us how many were receiving direct relief for the same month of 1933?

Mr. GORDON: For the month of February, 1933, the number of heads of families was 276,468 and the number of dependents 1,121,142. The same observations apply here regarding the method of compilation, that is as to the varying periods and varying amounts.

Mr. MACKENZIE KING: The minister evidently has the figures by months. Could he put on record the figures for the calendar year 1933 by months, showing heads of families and dependents receiving relief?

Mr. GORDON: I am afraid I would have to make up a statement. I shall be glad to have that prepared and lay it on the table before the bill goes through.

Mr. MACKENZIE KING: Would the minister do that? And perhaps it might be arranged by provinces as well, to enable the outlays the better to be understood and comparisons the better to be made. May I ask if the minister has at hand the figures of the number of unemployed at the present time? Has the Department of Labour any statistics showing the total number of unemployed, by months, for the last calendar year, and the total number at the present time?

Mr. GORDON: There are no figures other than those supplied by the bureau of statistics and the trade unions. I could probably get a statement of that also and table it.

Mr. MACKENZIE KING: If the minister would give us that information it would be very helpful. It also should be by provinces and by months for the calendar year 1933, and brought as near up to date as may be possible. It had better be given for the years 1931 and 1932 as well.

Referring to the bureau of statistics, I would like to direct the minister's attention to a matter I spoke of once before, that is the manner in which some of the statistics

with relation to employment are compiled. I noticed, and pointed out to the house, that the figures given by the bureau as to employment may be wholly misleading unless they are carefully analyzed and explained in advance to the public, for the reason that under the head of employment are included those employed by relief moneys as well as those employed by private industry in the ordinary course of business. I think the unemployment problem is sufficiently important to expect the bureau of statistics carefully to distinguish in its statistics on employment between employment that is afforded as a result of money voted out of the taxes of the people for purposes of relief and the employment which arises in the ordinary way from private industry. I would ask the minister if he would take up with the Minister of Trade and Commerce, who is the minister responsible for the bureau of statistics, the importance of having the statistics relating to unemployment make that distinction very clearly in future. I think it is one that ought to be made in regard to all the figures of employment for these years of unemployment, and I wish the minister, as Minister of Labour, would try to secure that information for hon. members of this house. I think it would be extraordinarily helpful in future to find out how much employment has been afforded as a result of moneys voted for relief purposes as distinguished from the employment that has been provided in the last three or four years in the regular course of industry.

While I am speaking on this subject I should like to take this opportunity to say that when I said the figures had been manipulated in a way that caused them to be misleading, I had no intention at all of reflecting on the bureau of statistics or upon any member of the bureau of statistics. What I meant was exactly what the word "manipulate" means. It has a sinister meaning, I know, but it also has the very ordinary meaning of being handled in such a way as to make a certain showing. The figures issued by the bureau of statistics in connection with employment, as they have appeared in the press, would lead the public to believe that the employment afforded by private industry had very considerably increased. As a matter of fact, when one analyses the figures one finds that the greatest increase has come from employment occasioned by the use of relief moneys, has, for example, been in connection with highway construction, most of which is carried on out of relief moneys, whereas as regards this class of employment the least increase in employment is in connection with the railways, which would be a very good index of the amount of general business going on throughout the country. I want to correct an impression that I was in any way seeking to reflect upon the members of the bureau of statistics. I think that department does its work in a wholly creditable way, but I do think the minister responsible for the bureau, and the Minister of Labour in particular, ought to have seen to it that the bureau of statistics was instructed so to classify the statistics as to make perfectly clear the extent of employment arising out of relief as contrasted with employment in the ordinary course of business.

Mr. GARLAND (Bow River): I am afraid an impression has been left with the committee, quite unintentionally, of course, that this resolution is the prelude to a bill that will provide for certain bilateral agreements or undertakings in regard to public works. Is there to be another bill in addition to the one that will be based on this resolution, or will the bill that is to come forward include those purely dominion federal works for the relief of unemployment as well as provision for the bilateral agreements?

Mr. GORDON: Any further legislation that may be introduced will deal only with purely federal works, essential federal public works, and will have nothing whatever to do with provincial works.

Mr. GARLAND (Bow River): That is to be another bill?

Mr. GORDON: Quite.

Mr. GARLAND (Bow River): Not this bill at all?

Mr. GORDON: No.

Mr. GARLAND (Bow River): I see; splendid. Then perhaps when the minister is considering the question he would examine this document. It is issued by the Canadian Surety Company, which calls itself the arch of safety, and which deals with fidelity and surety bonds, automobile, burglary, forgery, liability, plate glass and fire insurance. In a recent issue it encourages the people to be of good cheer because the Dominion government is going to launch a definite federal program for unemployment relief involving the sum of

$51,000,000. It states that this sum is to be allotted for construction work, to be divided between the different provinces as follows:

British Columbia	$ 3,640,000
Saskatchewan	3,975,000
Ontario	17,560,000
New Brunswick	2,075,000
Alberta	3,215,000
Manitoba	4,484,000
Quebec	13,366,800
Nova Scotia	2,425,000

It seems to me, Mr. Chairman, that if statements of this kind are being circulated the Department of Labour is entitled to check them up, and in justice to the country there should be a contradiction and correction if the statements are not true. The last sentence here is very interesting; it is as follows:

> The very fact that the governments are getting behind the construction industry in so substantial a manner will provide the necessary impetus to revive activity.

—and therefore, of course, there will be more insurance taken out, more fidelity and surety bonds purchased from this company. Frankly I protest, first of all against this type of advertising, and especially if this information is not correct. I want to ask the minister if the information contained in this sheet, which I have read, is correct or incorrect.

Mr. GORDON: No one knows better than the hon. member for Bow River that if a minister's time were taken up in contradicting misstatements that come from many sources, he would have very little time for anything else.

Mr. GARLAND (Bow River): Quite so, but the minister has a well staffed department.

Mr. GORDON: I have not a department well staffed for the purpose of contradicting, correcting, revising or reviewing statements that may be made by a section of the press or by such people as those who issued the statement to which the hon. member has referred.

Mr. GRAY: Has that statement any foundation in fact?

Mr. GORDON: I would suggest to the hon. member that the place to direct that question is to the author of this publication.

Mr. GARLAND (Bow River): Will the minister be fair with the committee? I am sure he would like to be. Are the statements contained in this document, as I have read them, substantially correct or incorrect? Surely the minister can answer that question. I am willing to accept his word.

[Mr. E. J. Garland.]

Mr. GORDON: So far as I am concerned as a member of this government, I never heard of any such division of any such money, and I have missed but few council meetings.

Mr. MACKENZIE KING: Could the minister say whether the buildings that may be included under this program are of the class for which parliament usually makes appropriations, and whether the construction work is of the kind that ordinarily comes under the federal government? Perhaps I might make myself clear if I asked if it is intended that such public buildings or works of construction as hospitals, sewage plants, gaols, asylums and buildings of that kind will be included in the federal program, or are these still to be regarded as provincial matters?

Mr. MALONEY: Is this discussion not entirely out of order?

Mr. MACKENZIE KING: It all relates to unemployment relief.

Mr. MALONEY: It refers to a new proposition which the government is supposed to be about to bring down, and has nothing to do with the resolution before the committee.

Mr. MACKENZIE KING: As to the point of order raised by the hon. member, I submit that we are endeavouring to discover what the government is doing towards unemployment relief. I should think the hon. member would be pleased to have the government make as good a showing as possible; heaven knows, up to the present it is poor enough.

Mr. GUTHRIE: If the right hon. member will be patient he will know when the bill is brought down.

Mr. MACKENZIE KING: But the trouble is that like everyone else we are getting impatient.

Mr. POULIOT: Opinions are free, and the hon. member is not.

Mr. MACKENZIE KING: Would the minister be prepared to answer the question I asked him as to whether or not the class of buildings and construction work in any federal program will be similar to the class of buildings and construction work appearing in the ordinary estimates of the departments, or will they go beyond that and make provision for the class of buildings and the construction work usually carried on by provinces and municipalities?

Mr. GORDON: The right hon. gentleman has asked whether or not the work for which provision may be made in subsequent legis-

lation will be work such as the building of hospitals, sewers, asylums and things of that character. I thought I made it clear a little while ago that any subsequent legislation will make provision for only essential federal works.

Mr. MACKENZIE KING: That answers my question.

The CHAIRMAN (Mr. MacNicol): Shall the resolution carry?

Some hon. MEMBERS: No.

Mr. NEILL: Reverting to the point—

The CHAIRMAN (Mr. MacNicol): The hon. member for Vancouver South has the floor.

Mr. MacINNIS: After a great deal of questioning the minister gave information about the number on relief, which information other hon. members and myself have been trying to get for some time. It would seem to me from the circular read by the hon. member for Bow River (Mr. Garland) that the Canadian Surety Company has easier access to government information than have hon. members of this house.

This year I put a question on the order paper asking for the number on relief, if the government had the information. I received an evasive reply. However I knew the government had the figures, and when last year we were discussing a similar resolution I quoted some of them. I said that up to the date of the discussion there had been an increase from month to month in the number receiving direct relief. So well informed was the minister that he corrected me—and quite rightly so—stating that in one month there had been no increase, but a decrease. When we are considering a question as important as that of unemployment I cannot understand why it is so difficult to obtain satisfactory information from the Department of Labour. Surely if there is any question before the Canadian people today that is important and upon which they should have accurate information it is that of unemployment. No other question affects so directly the homes and lives of our Canadian people as does the one we are now discussing. We can ascertain quite easily how many pounds of nickel, butter, or copper, or how many carcasses of beef, mutton or pork are shipped out of or produced in the country, and yet when it comes to this important matter we have to squeeze the information from the government.

An hon. MEMBER: Wring it out of them.

Mr. MacINNIS: This is the fifth session of parliament in which there has been a discussion of this problem, and it would seem that to-day the government are just as far away from a solution of it as they were when the special session in the year 1930 was called. As a matter of fact, they are farther away, because at the special session they did have a program; it might not have been a good one, but it was at least a program. Also they had some hope. Now, however, it seems that they are bereft of hope as well as of a program.

In answering questions this afternoon the minister tried to place blame upon some of the provinces for the difficulty in dealing with unemployment, taking the position that the provinces would not agree to give up any of their constitutional rights in order to enable the Dominion government more efficiently to discharge its unemployment obligations. I believe there are two ways in which the federal government could very quickly take care of that situation. First of all I would suggest that the next time the provincial premiers or provincial representatives are called into conference with the federal government, such conference instead of being held in camera be held in public. Everything that occurs should be within the knowledge of the public. The press should have access to the meeting so that the position taken by provincial and federal representatives may be known. I am satisfied that the public feel so strongly in this matter that they would very soon bring to time any government, whether dominion or provincial, that interfered with the efficient and humane handling of this important problem.

There is another way of dealing with the matter. The federal government, having the upper hand economically, as it were, could bring any provincial government to time and could impose whatsoever conditions it wished. I should like to quote from the words of the present Prime Minister as reported in Hansard of 1930, page 2373, uttered at a time when the house was dealing with the situation obtaining in the steel industry in the province of Nova Scotia:

> Did Canada thereby become, amongst the nations of the world, a member of the League of Nations? The answer is yes. Did the Liberal party in solemn convention assembled adopt the labour articles of the treaty of peace? The answer is yes. Did the Conservative party do the same? The answer is yes. To-night the question is whether or not the parliament of the Dominion of Canada that signed the treaty of peace, with two great parties pledging themselves to its observance and the group to my left also supporting it, is helpless. It is true that property and civil

rights are matters exclusively under the control of the provincial legislatures. It is equally true that this parliament may, if it so pleases, impose conditions with respect to any matter wherein it expends public money or confers a benefit or privilege upon any person or class or corporation.

The government does all of these things when it helps provincial governments with the problem of unemployment. It assists these provinces financially and, as the present Prime Minister said at that time, when he was leader of the opposition, it may impose any conditions it sees fit to impose. So that I do not believe the government is in a strong position when it tries to place on the shoulders of the provincial governments the responsibility for the present deplorable condition and the present futile policy in dealing with the unemployment problem. The answers which hon. members receive in the house in regard to matters concerning unemployment are so confusing that I am quite sure hon. members may be pardoned for not having a real understanding of conditions.

When the estimates of the Department of National Defence were before the committee the other day a question was asked of the minister by the hon. member for Sherbrooke (Mr. Howard). This question and the reply of the minister appear on page 1541 of Hansard, as follows:

Mr. Howard: Has the department any plan for some day taking these men out of the camps? How do they intend to rehabilitate them in the ordinary life of the country?

Mr. Sutherland: We endeavour in every way possible to encourage the men to get back into civilian work, and with a good deal of success.

The minister then went on to give the number of men who had left the camps in the different provinces. Shortly before this the hon. member for Vancouver Centre (Mr. Mackenzie) asked a question which appears on page 1523 of Hansard, as follows:

Mr. Mackenzie (Vancouver): Have the numbers in these camps been increasing or decreasing in the last three or four months?

Mr. Sutherland: They are increasing gradually.

I wonder how long it will take the government to rehabilitate the men in these camps with the methods they are using at the present time when the numbers in the camps are increasing gradually.

A word with regard to the camps themselves. During the past summer I visited some of them. I do not intend to criticize them as camps; for I am prepared to agree with the statement which has been made, I believe in this house and elsewhere, that conditions in the camps are good—fair to good, at any rate. The food is good and well prepared, but the shelter accommodation is not as good as it might be. Double decked bunks are used; these should be done away with. While the camps serve the purpose as a temporary expedient, they are certainly not a good thing as a permanent fixture.

Mr. GORDON: What kind of bunks would the hon. member suggest?

Mr. STITT (Nelson): Feather beds.

Mr. MacINNIS: Not at all, although I do not see why the men who are in these camps through no fault of their own should not be entitled to feather beds just the same as the rest of us; they have made the feather beds for the rest of us to sleep on.

Mr. STITT (Nelson): I have never been able to afford a feather bed.

Mr. MacINNIS: Neither have I, but I do not intend to crack wise jokes at the expense of the men who are in these camps through no fault of their own. I believe the regulations governing the logging camps are that every man is entitled to a bunk or bed for himself, and to a certain number of cubic feet of air space. The governments of the various provinces have prescribed rules and regulations to govern men working in the lumbering and other camps, and I think these regulations should be followed when the government puts men into unemployment camps.

Mr. GORDON: What are the rules obtaining for the lumber camps?

Mr. MacINNIS: I cannot cite the rules offhand.

Mr. GORDON: Why suggest that the government do the same as is done in the lumber camps when you do not know what is done there?

Mr. MacINNIS: I am saying that the rules as to sanitation, comfort and sleeping accommodation which the government lays down for the lumber camps should be—

Mr. COTNAM: Will the hon. gentleman state in what camps the rules as to sanitation have not been carried out?

Mr. MacINNIS: I was referring to sleeping accommodation.

Mr. COTNAM: In what particular camp?

Mr. MacINNIS: In nearly all the camps.

Mr. COTNAM: The sanitation was perfect in the camps I saw.

Mr. MacINNIS: Will the hon. gentleman say that there were no double-decked bunks in the camps he visited?

Mr. COTNAM: Are there not double-decked bunks in the sleeping compartments on the trains? Do they give the hon. member a special compartment when he travels?

Mr. MacINNIS: No. However, my hon. friend can make a speech in his own time.

Mr. GOTT: This speech will not look so good in the papers.

Mr. MacINNIS: That is all right; I am not concerned so much about the papers as is my hon. friend; I am concerned more for the men in the camps.

Mr. GOTT: For the papers.

Mr. POULIOT: If the hon. member for South Essex (Mr. Gott) is so much interested he should tell us about the passes issued to dependents.

The CHAIRMAN (Mr. MacNicol): The hon. member who has the floor should receive the courtesy of the committee and be allowed to continue his remarks; he should not be interrupted from every corner of the chamber.

Mr. COTNAM: When the hon. gentleman makes statements which are not correct, he should be checked up on them.

Mr. MacINNIS: After I have finished any hon. member can correct any incorrect statement I have made. I do not interfere with hon. members when they are making statements in this house, and I feel I am entitled to the same courtesy as I extend to them.

I was pointing out that the camps would be quite satisfactory as a temporary expedient if the men knew when they could leave. I am sure the men would not object if they felt there was some hope of leaving the camps and entering again into the active life of the community. I have talked with a great many of them and I have not met any who objected particularly to the conditions. They all agreed that the food was satisfactory, but they did point out that the sleeping accommodation was not all that could be desired, although they were prepared to put up with it. What they were objecting to was the fact that when they entered the camps they did not know whether they would be there for six months, a year or five years. I suggest that a temporary policy of this kind, while it may be good enough enough in its way, is not a good policy for this government to offer to the people of this country. During the recess I visited one of our penitentiaries. I found conditions quite satisfactory from the point of view of food and accommodation. But there was a difference between the penitentiary and these camps. When a man enters the penitentiary it is for a definite term and he knows when he is coming out, but when a man enters one of these camps he does not know how long he will be there. He can leave at any time, but the circumstances which forced him to go there in the first place will force him to go back.

Whatever may be the conditions in other provinces, they are certainly not improving in British Columbia. A few days ago I received a resolution which had been passed by the unemployed miners of Nanaimo, as follows:

> Resolved that we ask the city council to enter into an agreement with the provincial government for work and wages for the unemployed, at full time, at the regular city scale.
>
> Whereas, there has been another large number of miners laid off from the local mines, and whereas, the mine itself is only working two days per week in midwinter, with increased distress to the inhabitants in all walks of life, including the business section and the city council itself;

Then it asks for cooperation with various other bodies in bringing this to the attention of the dominion and provincial governments. Now, these are situations that prevail throughout the whole of British Columbia, and I submit that the policy or lack of policy of the government at the present time is not a satisfactory answer to the condition that now exists.

Mr. NEILL: To revert for a moment to the question of unemployment insurance, the minister told us before dinner that he was not prepared to make any statement as to the policy of the government in the future, because they had not yet decided upon a policy. It is somewhat difficult to go behind that statement. We may condemn their lack of policy or their delay in making up a policy in view of the promises made as far back as three years ago; but if they choose to take that position and assume responsibility, we cannot very well force them to make an announcement which they are either unwilling or unable to make. But as regards the past, as to what has actually happened I think we are entitled to ask for information.

It is known that since the minister spoke last, that is a year ago—it was on the 20th day of March to be exact—there has been a conference of the provinces and the dominion, and one of the items on the agenda was the subject of unemployment insurance,

more particularly I understand the consideration of how the difficulty of dual jurisdiction could be got round. That conference took place and beyond some very casual political gossip in the papers we have had no information as to what occurred at it. A suggestion has been made that there was something sacrosanct about it; the provinces did not want to show their hand, and therefore the whole thing was to be kept secret. I submit that a conference of that character is not entitled to be kept secret. We have had imperial conferences, the Ottawa conference and the world conference, and there was no nonsense talked about there being anything sacred about them so that what took place could not be revealed. I think we are entitled to know what took place at this conference, because it has a very important bearing on the point of view we take of the whole subject. The government might possibly justify their want of action by saying, "We were willing but the provinces failed to come through; we put up a reasonable scheme to the provinces, one that called for concurrent action with us, but this province or that province refused"—if the government could so inform the house, then it would redound to the credit of the Dominion government and there would be no reason why this government should not wish to show its hand. And if refusal to cooperate came from the province from which I come, then I for one wish to know because others from British Columbia as well as myself might interest public opinion to ask the government of that province to take a reasonable attitude in the matter. If on the other hand the Dominion government made no real offer of any definite scheme but merely said to the provinces, "You have a certain amount of control and we have a certain amount of jurisdiction; will you surrender your jurisdiction without any quid pro quo or any understanding or any proposal on our part," then the question would be that possibly the provinces were in the right in the stand they took and the dominion was to blame. These are things we want to know about and we are entitled to that information, and I do not see why we should be asked to pass this resolution until we are so advised. I think the minister would be well advised, in his own interest as well as in the interest of this committee, to give us such information. I cannot see how keeping the matter secret can be justified. Other matters which the provinces have met to debate have been made known to the public; why not the results of this conference? It is due to the provinces and to the dominion as well that we should know how the matter stands, so that we can formulate our opinion as to who is to blame for the lack of action in this forward movement promised three years ago.

Some hon. MEMBERS: Carried.

Mr. NEILL: I do not think the minister would be so discourteous or unwise as to let the matter go without an explanation.

Mr. GORDON: The hon. member has brought this question up a number of times. I do not think there is anyone in this house who is better acquainted with the difficulties that confront any government than is the hon. member—not only difficulties of a constitutional kind but difficulties that have to do with matters of employment in a country such as Canada. So far as any unemployment insurance is concerned, the provinces are by no means in agreement as to the wisdom of it at any time, and certainly they are not in agreement as to the wisdom of it at the present time. So far as the federal government is concerned, acting within the scope of its constitutional rights, if any measure looking towards the introduction of unemployment insurance is brought down by this government I can only tell the hon. member that he will have to be patient and await the time when such a measure is introduced. As to when it might be introduced I cannot enlighten him.

Mr. MITCHELL: Last year on the introduction of a measure similar to this the minister, if I remember rightly, made a lengthy speech in which he spoke of the back to the land movement as a major policy of the government in meeting the unemployment situation. I would ask him what progress has been made since last year in connection with the announcement of that policy, whether it has been driven forward or whether the matter was allowed to stand after the passage of the legislation.

Mr. GORDON: The hon. member is not quite correct when he says that I made a statement in which I said that this was one of the major efforts. It was one effort looking towards a partial solution of the difficulties that confront this country. Among other things I outlined at that time the return to agricultural life of a great many people in this country, and provision was made in the 1932 legislation to make a certain non-recoverable grant of $200 in conjunction with similar amounts from the provinces, and each municipality which participated in the scheme in order to assist those who had the

desire and the experience to become self-sustaining on the land. I know there are some who scoff at the idea and some who say that they are farmers and maintain that that is the last place in the world to send anybody, but whoever says that is not, I think, much of a farmer. That program has been carried out during the past year and I hope it will meet with greater success during the coming year. The difficulty that confronts anyone in an effort of that kind is on the one hand to restrain those who are unable, by reason of inexperience or othewise, to take advantage of the opportunities that this country offers, and on the other to see that only those who have a fair or good chance ultimately to succeed are selected to go on to land locations. Immediately the scheme was evolved some municipalities thought it was a proper occasion to rid themselves of people who were utterly hopeless. That had to be curbed, and it was, as quickly as the government and those acting in conjunction with it could do it.

Mr. GRAY: What power has the minister's department in the selection, or is that left entirely to the provincial authorities?

Mr. GORDON: There is now and has been almost from the outset a joint committee representing the Department of Colonization of the federal government, the provincial government and the land settlement branches of both provincial and federal governments. Once this committee got organized and working, the mistakes that were encountered in the earlier stages almost entirely disappeared. The whole object of this colonization at home plan sprang from a realization of the fact that a very large number of people who were induced to come to Canada ostensibly to go on the land did not do so but rather went to our industrial centres, and the fact that industry each succeeding year for many years offered less and less job security to those who had been attracted from the rural into the urban centres, the main objective being to render as many as possible of our own people self-sustaining units and to correct the obvious disequilibrium between rural and urban life. No matter how attractive urban life may be to some people, there is an ever increasing realization that probably more difficulties and more anxiety and sharp suffering are met with in industrial centres when men by reason of the advance of science or otherwise suddenly find themselves out of a job than are encountered in rural life. At least in rural life there is plenty of work to do. That is shortly the objective. I see the hon. member for Bow River and the hon. member for South-east Grey having a hearty laugh over what I have said.

Mr. GARLAND (Bow River): It is not a laugh; we are just agreeing with the minister that the farmer certainly has plenty of work. The minister is quite correct in that.

Mr. GORDON: I have spoken to many good farmers and I rarely hear them complain about hard work.

Mr. GARLAND (Bow River): That is true too. They complain of what they get out of it.

Mr. MITCHELL: This is one of the most important problems confronting the dominion. I understood that the policy in connection with the back to the land movement was a major policy of the government. The minister says that it is not a major policy. I would like to ask him what are the major policies in motion at the moment for meeting the problem of unemployment.

Mr. GORDON: Earlier in the discussion on this resolution a similar question was asked of me, I answered it and I have nothing further to add to what I said.

The CHAIRMAN (Mr. MacNicol): Before the hon. member speaks again, I am sure all members of the committee are anxious to have the bill before them, and as all of this discussion will in all probability be gone over on the bill, it would be desirable if the committee would take into consideration the fact that the business of the house must progress and would let the resolution through, bringing the discussion up again on the bill.

Mr. MITCHELL: This matter has been under discussion since the sitting began this afternoon and I do not think I have taken up more than five minutes of the time of the committee. I represent a large industrial constituency and I know that the question of unemployment is an awkward one from the viewpoint of the government. This might just as well be said now so that the government might contemplate something in between the passing of the resolution and the introduction of the bill. We have had discussions on many factors and phases of our national life, and it is only fair that we who come from industrial constituencies should be given at least some opportunity of questioning the government as to its policies in

connection with what I consider the paramount problem in the dominion to-day. We have had the government make a grant of $60,000,000 to the Canadian Pacific.

Mr. GORDON: No, a guarantee

Mr. MITCHELL: Or a guarantee. I would like the government to guarantee the mortgages under which thousands of people in my community are likely to lose their homes. If it is a sound principle to make such a guarantee to the Canadian Pacific, it is sound to do so for the individual. Under this legislation we have had the pegging of securities held by insurance companies. I would like to feel that the same policy was to be carried into effect with regard to every individual in Canada who finds himself at this moment in difficulties because, as I pointed out before, the greatest tragedy in the depression is the confiscation of the homes of our people. As regards my use of the term "confiscation", when a man or a woman is anxious and willing to work and through inability to find employment loses his or her home, it is correct to say that that home is confiscated by the state. The government in my judgment have absolutely failed to meet the problem. There is no secret about the matter. They were elected to cure unemployment; that is what they told the Canadian people, in short, sharp sentences, and I think it is fair to say that the huge majorities rolled up by government candidates in the last election reflected the viewpoint of our people toward what was then, in my opinion, a paramount problem.

So far as the question of unemployment insurance is concerned, the government have had ample opportunity in the past three or four years to meet the problem in a resolute way. They had the advantage of the last census returns, and they have had the advantage of a number of provincial-federal conferences in connection with the matter. Yet in this, possibly the dying session of this parliament, we cannot get information of any kind or any indication that the government has studied the matter of unemployment insurance or contemplates the introduction of legislation concerning it.

I think the depression should be met on many fronts. Notwithstanding the opinions expressed by the Prime Minister, this government will have to deal with the question of interest rates, whether they like it or not. It has been dealt with in well-nigh every other country in the British commonwealth—by Great Britain, New Zealand, Australia; and it will have to be met here. In England to-

day, through the lowering of interest rates, money is flowing into the building industry, which is a basic industry in every country, resulting in an enormous reduction of unemployment. I think a major policy that this government could set in motion to solve the problem of unemployment would be to declare a general election. I believe the new blood that would come into this House of Commons straight from the people would set in motion policies on a par with those in the country to the south of us. It was necessary to have an election there and to get a brand new government direct from the people, and that government has been responsible for the enormous reduction of the figures of unemployment in their own country. I would like to think that the Prime Minister could say on the radio what I heard the president of the United States say to people threatened with the loss of their homes or farms, that if anyone faced with the loss of farm or home would communicate direct with him, machinery would be set in motion to prevent such a thing happening. This government's policy in connection with unemployment seems to be an absolutely negative one, if it can be called a policy at all. Every state has a responsibility to feed its people; that is elementary and fundamental. But over and above that I think a government has a responsibility to see to it that the hundreds of thousands of men and women who are ready and anxious to go to work are provided with the opportunity to do so. We can talk of the Canadian Pacific Railway, we can talk of sound money—

An hon. MEMBER: Where is it?

Mr. MITCHELL:—and I forget the other thing the Prime Minister referred to the other evening, but fundamentally the wealth of any country consists in the ability of its people to work and to make goods. I say, as I have said many times before, and say it in a kindly way, that I think the Minister of Labour is overworked. But I would ask that when they bring down this legislation the government at least have something of a constructive nature to offer, rather than the milk and water policy enunciated by the minister to-day.

Mr. POULIOT: I would ask the hon. member for East Hamilton (Mr. Mitchell) what is the use of offering constructive criticism or suggestions when they are given no consideration? The greatest asset of Canada is not the Canadian Pacific railway or the Canadian National railway or the Sun Life

Assurance Company, or any big concern of the kind, or any man in particular; it is the Canadian people as a whole. This will not be denied by anyone in this house. Therefore it is of the utmost importance to look after the welfare of the Canadian people.

My hon. friend was asking the minister what is the major policy of the government with regard to unemployment. It is very hard to tell, because the government seems to have none, either major or minor. The government is drifting, while the number of unemployed becomes greater and greater. I listened with great attention to the figures given by the minister not long ago as to the number of heads of families and their dependents on relief. The minister in reply to my right hon. leader promised to give figures relating to the total number of unemployed. The number at any rate is very large. Of every three men in Canada only one works all the time, one works part of the time and the other is unemployed. There is no excuse for such a state of things.

Very often in this house I have offered one constructive suggestion to the government with regard to unemployment. No progress will be made in relieving unemployment until there is a system, until we have order in the organization of relief. It is an elementary proposition that no one can succeed in any thing without having a plan. One may criticize the Russian plan, one may criticize the Roosevelt plan, but every country has a plan, is doing something. Chancellor Dollfuss in Austria has a plan; the British government have a plan; in the United States they have the National Recovery Act; in Russia they have the five year plan. But here we have a moving picture policy. The only difference between the program of this government and the program at the Capitol or the Regent theatre is that the program at the moving picture theatres changes once a week and that of the government is changing every minute. It reminds me of the story of a woman who was running on the street: someone asked her why she was running so fast, and she said: "I am going to buy a hat before the fashion changes." That reminds one of this government. During the last campaign the poor were given a title—I knew then that the title matter would come before the house—they were called "unemployed." Processions were organized of so-called unemployed, with white buttons in their lapels; they were paid so much per head by the Conservative organization to form huge parades to protest against the Mackenzie King government doing nothing for the unemployed. It was just political propaganda. Then after the election in 1930 we were called here for a special session to end unemployment, as had been promised by the Prime Minister several times during the election.

Mr. BEAUBIEN: In three days.

Mr. POULIOT: Oh, faster than that—we will say the day after he took the reins of office. That was the story. Unfortunately the people were credulous enough to believe it. I told my constituents when they were shouting "hurrah" for the leader of the Conservative party that their worst punishment would be to see him in office, and the trouble would be that the good would then suffer as much as the bad; those who knew he could not fulfil his promise would suffer as much as those who believed in those promises and by their votes helped him to secure office.

Then we came here for the special session of 1930. I remember distinctly, though it is not in the records of the house, that when the Speaker asked the house if we were ready to accept the new high tariff I said, from my seat, "on division." It was not recorded in the papers of the house, but I said it and it was reported by the gentlemen of the press gallery. What were we told then? The Prime Minister said, "We must raise our tariff in order to end unemployment." Then he read or told us about promises he had received from manufacturers to the effect that they would not reduce the number of their employees, nor would they reduce salaries. That is what we were told by the Prime Minister, who was very bombastic at the time. Did conditions improve after that special session?

Then we had the London conference, which had a strong smell of "humbug" about it, and again the tariff was changed. What was the result? We had more unemployment. Later the Prime Minister and the Solicitor General came back to Canada, after the Prime Minister had been given a degree by Mr. Thomas. That was the first degree he received after coming into office—"humbug." He came back here, at all events, and we had the session of 1931, with still higher tariffs. I remember that my right hon. leader asked the Prime Minister during the session of 1931 if he had not increased half the tariff items, and the Prime Minister said he had not. My leader said, "Let us be fair; let us say one-third," and the Prime Minister agreed to that. Were conditions better after that? They were worse, because the tariff was increased at the request of men who saw only

their immediate profit and who were not sufficiently farsighted to see what were the real interests of the Canadian people.

The argument of the Prime Minister was that by increasing the tariff we would reduce unemployment, and that as a result no man in this country would be in poverty. If his argument had been right we should have had thousands, tens of thousands and millions of immigrants coming to Canada and no one would have been unemployed, because the tariff has been raised again and again. What the Prime Minister said was childish; he was not serious when he said it. He was so far from being serious that he realized that a country is like an individual; it cannot live alone. The Prime Minister said, "Now that we have isolated ourselves we in Canada are like a prisoner within the walls of a gaol. Now we will have to secure outside help." Then he turned to the other dominions and to Great Britain, and we had the Ottawa conference of 1932, with brass bands. What was the result of that conference? We had prognostications about the possibilities, potentialities and probabilities of the hog trade. We had visions of the future as described by the leader of the Conservative party, but that was only humbug, as was his statement in London when he told an audience that Canada was self sufficient. The trade of Great Britain with the British dominions amounts to only nine per cent of the world's trade. These Ottawa agreements were signed at the last minute; the departure of the boat by which Mr. Baldwin travelled back to Great Britain was delayed for one day in order to give him an opportunity to sign these papers, and there was a famous feast at the Chateau Laurier. The newspapers said the tables groaned under the weight of the food and wines placed on them. If my hon. friends think I exaggerate they need only look at the files of the Citizen and Journal in order to verify my statement. It will be remembered that nothing had been signed and in fact nothing had been agreed to up to the very day Mr. Baldwin was to go back. At the last minute something had to be done; some papers had to be signed; some agreements had to be reached. The secretaries and scribes became very busy putting letters and words one after the other, together with rows of figures in order to have something to show the people. That something turned out to be nothing at all. According to the blue-books containing the reports of the Ottawa conference, this was to be the salvation of Canada and was to bring about the restoration of our trade. Is that what has happened? The conference was such a failure that the government realized that we could not trade only with England and our sister dominions. We are one of the nations of the world; we are proud to be such, and Canada has to trade not only with England and the sister dominions but also with all the other nations of the world. That will be our salvation. When that is brought about we will cease to have unemployment; there will be no need for direct relief for those who have no jobs and those who cannot find a way to earn a livelihood and bring up their families.

I am afraid, Mr. Chairman, that we will have to pay direct relief until the government comes back to plain common sense. That is all we ask of them. We ask them to lay aside these new programs and plans which are absurd and which destroy the very life of Canadian trade and the confidence of the Canadian people in their own country. Sir, the Ottawa agreements clearly proved that the stand taken by the Prime Minister in London in 1930 was wrong. First he thought he was so great that he alone could dispose of the future of our country. After his experiences with the tariff in 1931 and 1932, he realized that he was wrong. Then we had the conference and agreements of 1932, and after that I hope his ministers were good enough friends of his to tell him he was going in the wrong direction. He saw that the agreements of 1932 were wrong, and then what did he do? He tried to bring about a restoration of the former Canadian trade with all the nations of the world, and with that in mind he and other ministers went to London as the representatives from this great country. While there they met the official representatives of sixty-three other countries, from five continents, three of which the Postmaster General (Mr. Sauvé) has just visited. Yes, five continents were represented at that momentous gathering. The idea of the restoration of world trade for Canada was so important that the Minister of Railways and Canals (Mr. Manion) stated in this house that the government was ready to decrease the tariffs and to bring them to a normal level provided other nations were willing to take similar action. He admitted at that time that Canada's tariff was too high. The trip to London was a new experiment; and what were we told by the press while the Prime Minister was in that great city? First of all we were told that the conference was behaving very badly. I do not mean that there was misbehaviour, but that the state of health of the conference was very poor. And then they found a doctor, a political

practitioner who found the evil and saved the conference from wreckage. It was the leader of the Conservative party, the right hon. Prime Minister of Canada. We learned from the press that two days later the conference was in such good health that it died. It was a marvellous operation which was performed by the Prime Minister.

People do not realize that when power was given to the Prime Minister he received more than that. Actually the Canadian people gave him an axe with which he has completely despoiled Canadian trade. Now he offers a diversion and states, "We have sold so many cans of salmon," when in fact the production of the fisheries has decreased by $21,000,000 when our exports to the British Empire and foreign countries have declined by $11,000,000. At such a time he states, "We are sending so many cans of salmon and so many cans of lobsters." Great! Great! He makes these statements at a time when merchants are selling nothing for weeks and months. When a merchant sells a package of chewing gum for five cents he thinks he has made a great profit. The government is acting in the same way.

I want to tell you, sir, that we are sick of humbug; we are sick of smoke screens. We want the truth, and we want it naked, because when an operation has to be made it is not made on a body covered with frills, but on a naked body. If we have to make an operation we must make it on the naked body of Canadian trade, so that we may know the true facts which will enable us to diagnose the sickness. Now, sir, I will diagnose the disease. We hear that in the United States there has been a great improvement in business. Is that improvement due to the N.R.A.? I will not say that. How is it that confidence has been restored in the United States? I believe the explanation is very simple: The people were fed up with the Hoover regime; they wanted a change, because they had no confidence in the Hoover government. People who had money were not spending it; business was very bad, and the American people were afraid of civil war or revolution. Then what happened? There was a change in government; Mr. Roosevelt was elected, and that very fact restored confidence to the American people. The same must happen in Canada. We have had enough promises; we have had enough experiments; we want a change. We want to open the windows in order to get some fresh air so that we may breathe. It is essential for us to come down to plain facts. In this House of Commons I have been advocating truth, in order that we may know where we are. When I ask questions of any member of the government or for the tabling of a return I want the same as is required from a witness—I want the truth, and the whole truth.

If the ministers are familiar with their departments, as I believe they are—I give them that credit—they have no excuse whatsoever for refusing to give any information requested from the floor of the house by an hon. member, and they have no excuse for not giving a complete return in accordance with the order of the house. I say that because the government is just a committee of the house, and it is we, the members of the House of Commons, who have the power to decide whatever we think fit. This is a fact which has been ignored, and is one of the reasons why we have that moving picture of changing programs.

Mr. GARLAND (Bow River): A slow motion picture.

Mr. POULIOT: Slow in motion, but fast in theory. I hope that in the very near future the rights of parliament will not be ignored. Repeatedly I have stated in the House of Commons that hon. members on this side of the house are willing at any time to cooperate with the government in order to bring about some improvement in the business of Canada. I wish to be well understood when I say that when any hon. member on this side of the house offers a suggestion to the government he does so having in mind his responsibility as a member, and in the belief that he is doing the best he can to serve his country. What is said in that spirit should be so accepted, and no hon. member from whatever section of the house he may speak should be exposed to a rebuttal when he is dealing fairly with the government.

After these preliminaries—

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: After these preliminaries let me state that again and again I have suggested to the Minister of Labour, and to the government as a whole, that no decision will be arrived at with regard to unemployment unless there is system and order, and unless the government takes the time to concentrate and considers each particular case. I think the committee is fair enough to acknowledge that I have told the government very often that it can have no success in relieving unemployment unless each case is considered separately. This is what was done during the war in taking care of the wounded soldiers. Some of these men received gunshot wounds,

others were shell shocked, others received different kinds of wounds. A man who had been wounded in the eye could not have been cured if the chief medical officer had issued an order that each wounded soldier should take a seidlitz powder each morning. It would have been ridiculous to apply the same remedy to all cases, and the same applies to unemployment. Each case should be treated on its own merits.

It is essential that there should be a classification of the unemployed in order to arrive at the correct number of those actually unemployed. There are many who are not on direct relief, those whom we call in French, "les pauvres en habit noir." These people are too proud to let their poverty be known. There are many sons who have lost their jobs and who are receiving from their fathers and mothers food, shelter and clothing for themselves and families. They do not come to the provincial government asking for relief. Such a classification would indicate to us the true economic condition of this country, and when that is known it will be time, if the government does not decide to hold an election, to call a special session to examine the figures. The results which could be obtained from such a session would be far greater than those obtained from that failure of a special session in 1930 when the tariffs were increased so greatly. I ask the minister to let us know if he will not take this suggestion under advisement. The government would save money by such a classification, as there are many cases of duplication in the payment of money for direct relief. The government may say that it is impossible to do this, but I would remind them of the provincial conferences which are held in Ottawa. There will be another one shortly, and I ask the government to submit this matter to that meeting. I was told by one of the leading men in the St. Vincent de Paul Society in Montreal that they have full records as to the unemployed who have received assistance from that society, and that this information could be available in twenty-four hours. This society is giving relief to many people who will not ask for direct relief. The information is available provided it is asked for. All the rights of parliament were taken away when the government adopted the blank cheque policy. The least we can do now is to see that the money is well spent. This is all we can do until the government realizes that the only thing which will effect a restoration of trade and save Canada is to abandon humbug and return to common sense.

[Mr. Pouliot.]

Mr. MACKENZIE KING: Mr. Chairman, before we conclude the discussion on this resolution I think it is desirable that this House of Commons should recognize the position in which it finds itself in dealing with this greatest and most important of all questions in the country to-day, the problem of unemployment. This afternoon the Prime Minister moved the following resolution which was agreed to:

That when this house adjourns on Wednesday the 28th of March instant, it shall stand adjourned until Monday the 9th of April, 1934.

What does that motion mean as respects the matters at present under discussion? It means that unless the bill to be founded on this resolution carries between now and Wednesday of next week, so far as any provision on the part of this parliament to deal with the problem of unemployment is concerned, there will when members leave on their Easter vacation be none whatever. I think it is all important that that should be clearly understood. For reasons best known to itself the government this year is adopting the procedure which it adopted in previous sessions of leaving until the very last moment the discussion of the great question of unemployment and unemployment relief. We are within four days of the adjournment of parliament for the Easter recess and within that time we have not only to complete the discussion of this measure but to enact whatever legislation may be necessary to meet the problem of unemployment at the expiration of this fiscal year, which is March 31. Let me make it perfectly clear that if the bill to be founded upon this resolution is not passed before Wednesday—this means not only its passage through this house but its passage through the Senate and its receiving the royal assent by the representative of the crown—there will not be available from the federal treasury a single dollar to assist in the relief of the unemployed. Notwithstanding the fact which the minister has had to admit to-night that the number of families dependent upon relief runs into the thousands and into the hundreds of thousands and notwithstanding there are hundreds of thousands of unemployed, there will not be a single dollar available from the treasury for the purpose of any work of construction to aid and furnish employment to those who are unemployed. More than that, if this legislation is not passed the government will no longer have the power which it has been enjoying when parliament is not in session of making provision by order in council for matters

that pertain to peace, order, and good government and of meeting emergent conditions under that provision.

Further than that, the government will not have at its disposal a blank cheque from which it can draw funds necessary to deal with unemployment relief. It will not have any of the moneys fixed by the legislation of the past year for the purpose of helping to meet the unemployment situation or to relieve rural distress. That is the position; there will be absolutely nothing authorized, nothing out of which the government can make provision to deal with this great question of unemployment relief, and that notwithstanding the fact that the question was regarded by the government, at the time it came into office now nearly four years ago, as so urgent that a special session of parliament had to be called to consider it. We had a special session to deal with the all important question of unemployment relief, which was then declared to be a great national issue; we had that session, a second, third, fourth and now a fifth session; and what is the position at the moment? Should the discussion of this measure, by any chance, last into the middle of next week when parliament adjourns for Easter and the members are away, the government will find itself beginning a new fiscal year without any provision whatever with respect to unemployment in Canada so far as the federal government is concerned. I ask the Minister of Labour and the administration, is it any wonder that unrest and distress are increasing in the country when neglect and indifference to that extent can be shown with regard to the government's attitude towards this great problem? Nothing could be more eloquent of the neglect, or the indifference, or the incapacity—because it is one of the three —of the government to deal with the problem of unemployment relief than this very fact that there will be nothing on the statutes of Canada that will give the government power to turn either to the right or to the left in coping with the problem of unemployment as it exists in Canada to-day unless some legislation is put through before Wednesday of next week. If this parliament should adjourn at Easter without any provision whatever having been made for unemployment, would it be any wonder if a cry of distress went up from one end of the land to the other on the part of the people everywhere who are looking to this federal parliament that has promised to help them in their efforts to cope with the most critical situation with which the country has ever been faced? If we on this side do not continue, to the extent that we should like, the discussion of some of the matters involved, it is simply because we recognize this fact, that unless some legislation is put through by Wednesday next there will be nothing whatever on the statutes to enable the government to make provision of any kind.

For that reason I say to the minister, I hope he will find it possible to bring down immediately, so that it may be available before the second reading of the bill, the information which he has promised to-night to let us have. I should like him to bring down first of all the reports of the auditor general to the ministry, or different members of the ministry, with regard to those cases in which he has discovered that the provision for controlling expenditure, so far as relief is concerned, has been inadequate; next, a statement with respect to the total numbers of unemployed, classified by months and by provinces for the past year—indeed, if he could give it year by year from the time the administration came into office it would be preferable; and the same information with respect to the numbers of persons receiving relief. In addition to that, I wish the minister would also lay on the table a statement giving the latest figures with regard to the total expenditure by years and provinces that has been made under the different relief measures since the administration came into office. If we have this information to-morrow we might let this resolution pass to-night so as to enable the minister to introduce the bill, and we might be able to proceed with the second reading of the bill on Monday, if the government itself is ready to go on at that time. But we ought certainly to have that information before being asked to continue with the measure.

May I add this further word. I hope that between now and Monday the government will consider carefully whether at this session, which may be the last of the present parliament, it should ask this House of Commons again to give it blanket authority to legislate by order in council with respect to any matter it cares to classify under the head of peace, order and good government, and also whether it should ask the House of Commons to endorse a blank cheque with respect to the expenditures the administration may wish to make for actual or alleged purposes of relief, especially when the minister has announced, in connection with the work of public construction which the government may bring in, that the government may enter into contracts

which will be continued over a series of years, and the payments under which may be guaranteed for a longer period than the customary fiscal year.

Mr. GORDON: I could give a good deal of the information that the right hon. gentleman has asked for, but perhaps, in anticipation of the filing of the report contemplated by the statute, it would be better if I brought in the information in the form of a statement instead of giving it here to-night. For instance, I could easily give a recapitulation of federal disbursements under the various relief measures from 1930 on to March 10, 1934, but perhaps it would be just as well if a statement were tabled at the opening of the house to-morrow. I think it can be prepared by then, so that all the information asked for can be before the committee.

Mr. MACKENZIE KING: May I suggest to the minister that it would be a matter of very small expense to have these statements presented in printed form so that they might be made available to members of the house generally. I am referring to the tabular statements. I do not mean a comprehensive document but a statement in tabular form by provinces and months for each of the past three calendar years and up to the present, of the numbers of unemployed, the numbers receiving relief, and general expenditures on relief, presented either in printed form or in manifold copies.

Miss MACPHAIL: How much money is loaned to the unemployed who are being put back on the land—the policy which the minister has been following for some little time? What is the total amount of money that goes to each family and is it the same for all families?

Mr. GORDON: There is no money loaned, so far as the federal contribution is concerned. There is a non-recoverable grant from the federal treasury of $200. That is supplemented by an equal sum from the province and the municipality respectively concerned.

Miss MACPHAIL: Making $600 in all.

Mr. GORDON: Yes.

Miss MACPHAIL: What is the total number of families who have gone back on the land in the last year?

Mr. GORDON: The total number of families is 2,701; the total number of dependents is 11,657; the total acreage is 328,027 acres.

[Mr. Mackenzie King.]

Miss MACPHAIL: Are the farms mostly in northern Ontario, or are there some in southern Ontario, so far as that province is concerned?

Mr. GORDON: They are scattered throughout the province, but I think the major portion will be found in that part called northern Ontario.

Miss MACPHAIL: Is this policy being followed in other provinces?

Mr. GORDON: Yes. The figures I have given are for all of Canada under this scheme.

Miss MACPHAIL: Does the minister find that the families who went back on the land a year or two years ago are self sustaining?

Mr. GORDON: Generally speaking, yes. There have been some failures. The exact number of those who have returned to their municipalities I have not before me at the moment, but from the reports I get from the various provinces I would say that no plan under the department of colonization in the past seeking to induce people from other lands to come to Canada and settle here has met with the same degree of success that this plan has. It is of course a slow process, but the percentage of failures is very much smaller than under any other scheme that I have had under review since coming into the department. That applies to all the various schemes since 1921.

Miss MACPHAIL: About what extent is the average parcel of land? How many acres? Are they large or small holdings?

Mr. GORDON: No holding that I know of is larger than 160 acres.

Miss MACPHAIL: That is in western Canada?

Mr. GORDON: That would be in Ontario and western Canada. In some parts of western Canada the location may be larger than that, but a good deal of it would likely be rough land.

Miss MACPHAIL: I remember when the minister first suggested this plan, which I believe means a great deal to him, I thought he was genuinely enthusiastic about it, but I felt it could not succeed. I cannot see now how putting on the land people many of whom, I suppose, have not had great experience there, can succeed when those who are trained and experienced farmers and who are on property that has been in their family for one, two or three generations are really not self sustaining on the land. I know that in my constituency of Southeast Grey many who are good farmers with mortgages of some

considerable size against their land have lost their property, and many more of them will be in a similar position when the moratorium which at the moment is protecting them is lifted. I should be very happy if the whole farming population in Canada could be made self sustaining, but in my opinion they are not at the present time. At least the farmers in my constituency—and there is nothing peculiar about it—are losing out. If they had money in the bank, that money is gone, or if they had not, they have borrowed just as much as they can, and are not able to pay even the interest on their borrowings. I believe that, generally speaking, is a truthful statement. In endeavouring to carry on, they have sold so much of their live stock that they cannot carry on farming operations as efficiently as they could some years ago.

I do not like to discourage the minister, but I feel this back to the land policy is unsound and will, as time goes on, fail. I do not see how it can do anything else. The minister said that the farmer at least never was out of work. That is quite true. The farmer and the farm woman have more work to do than they should, but they do not get paid for it, and the disequilibrium in population between urban and rural communities arises from the fact, not that there is no work on the farm, but that the people who do this arduous work over years and years, are not paid for it. We all know that, and so to attempt just to take unemployed people, and having given them $600, which I admit is a help, put them on the land and expect that they are going to profit thereby—well, I do not like to say it, but I think it shows the minister knows more about mining than about farming. I believe he is sincere and wants the plan to succeed, but I do not think it can. Some of the older members will recall that in 1922 for ten days there was a debate in the house in which protest was made against the wholesale immigration that was then taking place; we brought in more and more immigrants and put them on the land, especially in western Canada, and we are producing such quantities of farm products that under the system prevailing markets for them cannot be found. Now we are adopting another land policy. It is not called immigration, but it is possibly the dregs of the former immigration policy; we are attempting to put people back on the land. As the representative of an almost wholly rural community, I protest against this; I believe it cannot succeed, and in so far as it does succeed it will make the situation just that much more difficult for the farmers who have been on the land and who have been trying to farm it for quite some time.

I am not, however, going to say that I think the disequilibrium between the population of rural and urban communities is attributable to just one thing; that is not so. There are many causes, but I am not going to take time to go into them to-night. The tariff has had something to do with it; the money power in the hands of a few people who deliberately built up rapidly the industrial life of Canada has had something to do with it, and an educational system that does not in any way fit people to get the beauty and cultural value out of the country in which they are living also has something to do with it. There are many causes for the conditions as we find them, but as the representative of a fine, intelligent rural constituency I protest against this back to the land policy which is being followed. It may for the moment seem to succeed, but just as soon as these people can get off the land, they will do so. As long as it is the only place where they can have any sort of shelter and can produce some food for themselves, they may stay, but that, after all, is not making a living. Finally they will have to get machinery, clothes and many other things they are not thinking very much about at the moment, and I do not believe they can get them under this scheme. I do not suppose the minister will call this the major policy of the government as regards unemployment, but I think he will find that as time goes on it will fail.

Mr. CASGRAIN: I do not know whether the minister has already given this information; I have been attending to my duties in the banking and commerce committee. I should like to know how much is given weekly in each province for the unemployed for each member of his family?

Mr. GORDON: That is a matter which rests entirely with the municipality and with the province. So far as the federal government is concerned we have never put any maximum or minimum on how much a family would receive. That obviously must of necessity be attended to by the local authorities who know the conditions in each case.

Mr. CASGRAIN: Has the minister in his possession information in connection with how much was paid in each province in such cases for each family per week?

Mr. GORDON: No figures such as the hon. member asks for are available.

Mr. CASGRAIN: I have in mind rentals that may be in arrears by the unemployed. Has provision been made that out of moneys paid by the federal and provincial governments and the municipalities certain amounts are to be devoted to the payment of rentals for the benefit of the unemployed?

Mr. GORDON: If there is such an arrangement it was made by the province with the municipalities. I am not acquainted with any such arrangement that may have been made.

Mr. CASGRAIN: I suppose the minister would be in a position to give us a copy of the reports he has received from all the provinces regarding their dealings with the matter of unemployment in reference to this act, and also the amount expended by each province? Has the minister got this report from each province?

Mr. GORDON: Under the provisions of the act a complete report must be tabled in the house within fifteen days after the end of the fiscal year. That report is in course of preparation now.

Mr. CASGRAIN: It will be tabled, then, in April?

Mr. GORDON: Within fifteen days after the end of the fiscal year.

Mr. CASGRAIN: The report that is in preparation regarding the administration by all the provinces of the moneys contributed by the federal government will be tabled only on the fifteenth of April next?

Mr. GORDON: I hope to have it tabled before the last day for tabling it, but it will be some time after the end of the fiscal year.

Mr. CASGRAIN: So we shall not have available for consideration the reports from the provinces before we vote on the second reading of this bill?

Mr. GORDON: No.

Mr. BEAUBIEN: Did I hear the minister state that these 2,000 families that were returned to the land received $200 from the federal government, $200 from the provincial government and $200 from the municipality concerned?

Mr. GORDON: Yes, 2,701 families were settled under that arrangement.

Mr. BEAUBIEN: Have any families been settled on land under the Unemployment Relief Act or any other act by some different scheme? Is there any other scheme by which an unemployed man and his family, if the muncipality does not wish to contribute, can be reestablished on the land?

Mr. GORDON: I believe a small number of families was settled in Saskatchewan by a joint contribution from the Dominion government and the provincial government. And I believe that under a similar arrangement, namely a contribution of $400, some Mennonites were settled around Swift Current and some place in the northern part of Saskatchewan. These people had apparently come to anchor around the towns and evinced a desire to get out and get a piece of land and hustle for themselves. There was apparently no municipal responsibility, and a joint contribution was made in a few cases, half by the provincial and half by the federal government.

Mr. BEAUBIEN: Suppose a man who is unemployed in one of these little hamlets in unorganized territory desired to go on the land with his family, is there any way for him to be helped to do so to-day?

Mr. GORDON: I would approve of such an arrangement. If a person living in unorganized territory, at present on relief or likely to be and without money, wants to take up a piece of land, he would probably be the kind of person who would have a greater chance of becoming self sustaining than even one who had lived in his youth and perhaps beyond youth on a farm and then spent a number of years in the cities. If there were cases of that kind, and the province viewed it with favour, I would recommend that the federal government join with the province to that extent to settle that man with his family.

Mr. BEAUBIEN: The application will have to come from the province?

Mr. GORDON: Yes.

Mr. McKENZIE (Assiniboia): Under the Relief Act of 1931 the farmers of Saskatchewan, and I think of other parts of western Canada, were required to give notes for the relief they obtained. Would the minister when the bill comes up give some information in regard to those notes, particularly the amount involved, whether they are being collected, what method is being used to collect them, what amount has been collected, and so on? That has always been rather a sore point with me. It seemed unfair that our farmers should have had to give a note for every little bit of relief they obtained, whereas in the cities it was not so. I am glad the government abandoned that idea.

There is another thing to which I would draw attention, as there is need of something being done immediately. I am getting letters from farmers in my constituency saying that they must get more feed for their stock, that stock is dying off continually, and that unless they get feed for their horses they will not be in fit condition to put in the crop this spring. They need feed not only for seeding time but in order to get their horses into shape to do the spring work.

Mr. DENIS (Translation): Mr. Chairman, when the hon. member for Charlevoix-Saguenay inquired of the hon. minister what amount was granted to each unemployed per week, in each province, the reply of the hon. minister, if I am not mistaken, was that these figures were not available. As the accounts of each province must be minutely looked into by the minister or his officials, he should be in a position to state whether the treasury is well guarded or the grants made to relieve unemployment were fairly distributed to all the provinces and then to the unemployed. The same applies to rentals. I do not know whether I was well informed, however, I think that in certain provinces rentals are almost entirely paid, while in others no payments are made on them. The distribution of grants to relieve unemployment in the various provinces should be carried out justly, because they all have to pay their quota of taxes to the state. If the government, in the administration of the affairs of the country, acted with reasonable care, its duty would be to scrutinize more closely the statements submitted by the provinces and see that a fairer distribution is carried out.

Mr. BARRETTE (Translation): You should mention this fact to Mr. Taschereau.

Mr. DENIS (Translation): Let the minister reply. He will, perhaps, do so more intelligently.

Mr. CASGRAIN (Translation): Mr. Taschereau is not responsible for this measure, but the right hon. Prime Minister (Mr. Bennett) and those who promised to end unemployment in three weeks must assume such responsibility.

Mr. MITCHELL: Arising out of an observation made by the minister in connection with this building program, a thought passed through my mind. I was under the impression that the minister had no knowledge as to the extent of the policy, the amount of money that was to be spent or where the buildings were to be erected. It passed through my mind that a number of sessions ago the government invited the members to let them know of any public works that were required within the confines of their different constituencies. I think that would be a good policy to adopt in connection with the forthcoming building program. I do not believe this should be—and mind you I am not insinuating that it will be—a kind of preelection pork barrel for the party in power. The members themselves have a very clear understanding of the needs of their constituencies in this regard, and I merely make this suggestion in view of the fact that the policy has not been drawn up or agreed upon. I think the government might bear that in mind when bringing the policy to the house for ratification.

Resolution reported, read the second time and concurred in. Mr. Gordon thereupon moved for leave to introduce Bill No. 42, respecting relief measures.

Motion agreed to and bill read the first time.

On motion of Mr. Guthrie the house adjourned at 10.47 p.m.

Friday, March 23, 1934

The house met at three o'clock.

LIMITATION OF ARMAMENTS

Right Hon. R. B. BENNETT (Prime Minister): A very considerable interest has been manifest in this house in the proceedings of the conference on the limitation and reduction of armaments and of all subsequent proceedings arising out of that conference. The Department of External Affairs has thought that it might be well if a short resumé were prepared and published of the proceedings to date, and this has been done under the direction of the officials of the department. I now table two copies in English and French of the report of the conference on the limitation and reduction of armaments, 1932 to 1934.

PRIVATE BILL

Mr. L. G. BELL (St. Antoine) moved:

That the petition of George Harold Allen praying for a bill of divorce from Marjorie Nelson Allen, together with the report of the clerk of petitions thereon, be referred to the select standing committee on standing orders for the purpose of considering the suspension of standing order 92 in relation thereto.

Motion agreed to.

CANADIAN AND BRITISH INSURANCE COMPANIES ACT

On the orders of the day:

Mr. R. W. GRAY (West Lambton): I wish to direct a question to the Minister of Finance. I have received, and I think other members have as well, letters and telegrams protesting against a certain clause in a section of a bill, being an act to amend the Canadian and British Insurance Companies Act, introduced in another chamber and now being considered there. I refer to section 34, which states that every British company other than Lloyds shall, as a condition of being registered, make a deposit with the minister. Lloyds is not required to make that deposit. Has the minister received such protests, and will the government—this being a government measure—take cognizance thereof?

Hon. E. N. RHODES (Minister of Finance): Obviously the question could not properly be addressed until such time as the bill is before the house. The question ought properly to be directed in the Senate at the moment, and we know not what form the bill will take when it reaches this chamber.

Mr. GRAY: Is it a government measure?

Mr. RHODES: Yes and no.

CORRECTION—MR. POULIOT

On the orders of the day:

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): On page 1742 of Hansard of yesterday a correction should be made. I am glad to interrupt my remarks here to welcome the hon. member for North Bruce (Mr. Malcolm) to the house. The passage in Hansard to which I refer reads:

> Mr. Mackenzie King: But the trouble is that like everyone else we are getting impatient.
> Mr. Pouliot: Opinions are free, and the hon. member is not.

That remark was not addressed to my right hon. leader. In the meantime the hon. member for North Renfrew (Mr. Cotnam) had risen and said, "This is of course your own opinion," and it was in answer to him that I said, "Opinions are free, and the hon. member is not."

TARIFF BOARD

REFERENCE TO SUPREME COURT OF RIGHT TO MAKE RULINGS ON POINTS OF LAW AND FIXING OF VALUES

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): The hon. member for North Waterloo (Mr. Euler) and the hon. member for Shelburne-Yarmouth (Mr. Ralston) were advised by me the other day that I would inform them as to the order in council that had been prepared for the purpose of submitting certain questions relating to the jurisdiction of the tariff board, to the Supreme Court of Canada. The order in council has been prepared but has not yet received the approval of His Excellency or of his deputy and therefore I cannot lay it on the table today. But as soon as it has been approved a copy will be laid on the table, at least on Monday, and I may be able to-morrow to send a copy to the leader of the opposition (Mr. Mackenzie King) in the absence of the hon. member for North Waterloo and the hon. member for Shelburne-Yarmouth.

IMPORTATION OF PARROTS

On the orders of the day:

Hon. P. J. VENIOT (Gloucester): I wish to direct a question to the Minister of Pensions and National Health. I have received from New Brunswick an inquiry whether there are any instructions and what they are in regard to prohibition of the importation of parrots. Would the minister please explain what the prohibition is and whether it is under a law or under a regulation of the Health department.

Mr. R. B. HANSON (York-Sunbury): Will the hon. member please explain whether it is a parrot or a macaw that is in question?

Mr. VENIOT: Either one or the other.

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): There are such regulations and they are under the administration of the Minister of Agriculture. Perhaps it would be in order to let the minister of that department make a statement.

Mr. VENIOT: Having been informed by the Minister of Pensions and National Health that I have directed my question to the wrong minister and that I should ask it of the Minister of Agriculture, I now direct it to him. I believe he heard the question.

Hon. ROBERT WEIR (Minister of Agriculture): I am sorry I did not hear the question.

Mr. VENIOT: The question was that I had received an inquiry from New Brunswick to let them know whether there was any prohibition of the importation of parrots and if so, whether it was under a law or a regulation of the department?

Mr. WEIR (Melfort): I shall be glad to give the hon. member that information in writing.

Mr. VENIOT: I thank the hon. minister.

SALE OF FISH IN QUEBEC

On the orders of the day:

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): May I make a reference to the question of eels as I see the hon. member for Quebec South (Mr. Power) is in his seat and is interested in that. I might say to him now that the supervision of the proper condition of food such as fish and eels comes under the local authority, but I have been informed by the federal officials that after inquiry the statement to the effect that the fish in question were in an unfit condition was not found to be correct.

UNEMPLOYMENT INSURANCE

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): Can the Prime Minister inform the house whether it is the intention of the government to deal legislatively at this session with the question of contributory unemployment insurance?

Right Hon. R. B. BENNETT (Prime Minister): I do not think the question requires any answer. The intentions of the government are not made manifest by question and answer.

Mr. McINTOSH: Notwithstanding this I thought perhaps the Prime Minister could indicate to the house the intention of the government.

FRUIT ACT AMENDMENT

Hon. ROBERT WEIR (Minister of Agriculture) moved that the house go into committee on Bill No. 26, respecting fruit.

Motion agreed to and the house went into committee, Mr. Smith (Cumberland) in the chair.

On section 1—Short title.

Mr. STEVENS: I understand the minister desires to have a slight amendment made to clause 1. It is just a slight amendment to the title. I move:

That section 1 be amended to read: "This act may be cited as the Fruit and Honey Act, 1934."

The amendment is to include the words "and honey" in the title of the bill.

Amendment agreed to.

Mr. POULIOT: May I ask the minister why the home consumption of honey in 1932-33 as compared with 1930-31 has decreased by 9,535,000 pounds, and whether this legislation will remedy that?

Mr. WEIR (Melfort): That will have to wait to be demonstrated.

Mr. POULIOT: May I ask the minister also why the home consumption of apples in 1932-33 as compared with 1930-31 has decreased by 1,209,000 barrels?

Mr. WEIR (Melfort): Without accepting as authoritative the figures given by the hon. member, I may say that the situation is this, not necessarily that there is less production, but that there has been a greater export which might account, if his figures are correct, for the smaller domestic consumption.

Mr. POULIOT: Then the minister should have resort to the old adage: "An apple a day keeps the doctor away." I notice from the explanation given by the minister, in the last year for which statistics are available, the home consumption of apples and honey has decreased considerably on account of the fact that our people have no money with which to buy those articles. I ask the minister to be kind enough to table a report showing the exports, the imports, the production and the home consumption of the fruit, also of honey, mentioned in the speech made by the right hon. Prime Minister on October 12, 1932, in which the right hon. gentleman told the house of his expectations in connection with imperial trade in relation to fruit.

Mr. WEIR (Melfort): The information is available to the hon. member in the trade statistics.

Canadian Commercial Apple Production

Years—	Barrels
1929	3,939,000
1930	3,419,000
1931	3,793,000
1932	3,976,000
1933	4,892,000

The production for 1933 being the greatest for all these years.

Mr. POULIOT: What was the home consumption?

Mr. WEIR (Melfort): The exports for the same years are as follows:

Years—	Barrels
1929-30	1,878,525
1930-31	1,587,497
1931-32	1,682,506
1932-33	1,818,801
1933-34 (incomplete)	3,224,749

The last year showing a very large increase.

Mr. POULIOT: What are the figures for home consumption?

Mr. WEIR (Melfort): The home consumption I take it would be the difference between production and export.

Mr. POULIOT: Are there no imports?

Mr. WEIR (Melfort): And with the imports taken into consideration, yes.

Mr. POULIOT: What was the average price each year?

Mr. WEIR (Melfort): The records I have here are not complete in that respect. I shall be glad to let the hon. member have this information at the earliest possible time next week.

Mr. POULIOT: Will the hon. gentleman admit that the figure I have already given is correct?

Mr. WEIR (Melfort): I could not say without checking it up.

Mr. POULIOT: Would the minister be kind enough to tell us about dried apples, the production in each year since 1930, the exports, the home consumption, and the imports?

Mr. WEIR (Melfort): I shall be glad to give this information at a later time in connection with the estimates on fruit. We have not got all the information here. I do not know whether this is the proper time to prolong a discussion on the request for such information, but I shall be glad to give the information when the estimates are up.

Mr. POULIOT: I thank the hon. gentleman. But we have before us now a bill of importance which is supposed to assist the farmer in the sale of his fruit and honey. There is a large decrease in the home consumption of apples and of honey, therefore we must have that information before discussing the bill. If we take the estimates and pass them in the meantime we shall have to do it with our eyes shut. Therefore I ask the hon. minister if it is not possible for him to give that information right now, as he has the fruit commissioner of his department before him.

The CHAIRMAN (Mr. Smith, Cumberland): Shall the item carry?

Mr. POULIOT: No, Mr. Chairman, I would like the hon. gentleman to answer my question.

Mr. WEIR (Melfort): I regret I was not able to hear the hon. member's question. If he would repeat it and it is possible for me to hear it—

[Mr. R. Weir.]

Mr. POULIOT: I shall repeat it as many times as the minister wishes.

The CHAIRMAN (Mr. Smith, Cumberland): Order; may I ask the committee to keep better order? It is very difficult to hear.

Mr. POULIOT: I thank you very much, sir, for the dignity with which you conduct the committee. I shall put it another way. I shall ask the minister to tell us what kind of fruit will be sold in greater quantity on account of this legislation, or what are the fruits the sale of which might be affected by this bill?

Mr. WEIR (Melfort): No person could answer that question, I believe. This is in great part a revision of an act that has been in force for thirty-three years. It has been submitted to the committee on agriculture and colonization, they have gone into it very fully and have adopted it without amendment.

Mr. POULIOT: It becomes important to see the definition of fruit as given in section 2 of this bill, because the act is to be known as the Fruit Act, 1934. The first thing we have to know is what kinds of fruit are affected by the bill. It is said that:

> "fruit" means fruit of every kind grown in Canada, known botanically as such, except wild fruit in respect of which no grades are prescribed.

I understand quite well that this bill has nothing to do with wild strawberries, raspberries, blueberries and so on, because they are considered as wild fruit, except some special kinds of strawberries and raspberries which grow in gardens and greenhouses. At this time of year I do not speak about wild strawberries. But there are greenhouse strawberries and cultivated raspberries which might be affected by this bill. Also I understand that this bill has nothing to do with bananas and pineapples that do not grow in Canada. Fruit means fruit of every kind grown in Canada; therefore we will leave aside the blueberries which grow wild. I wonder if the hon. gentleman is ready to accept that contention, that blueberries are not included under the word "fruit" in this bill. The same question would apply to cranberries.

Mr. WEIR (Melfort): Cranberries are not included, and will not be included unless a special request is made by the provinces to have this done. Quebec has already made such request in regard to blueberries, and the word "fruit" will be interpreted to include that fruit.

Mr. POULIOT: Thank you. Now let us be very particular. We have peaches, pears,

plums and gooseberries; we have mentioned apples. Here we have four or five kinds of fruit largely grown in Canada. Would the minister be kind enough to give us some information as to the production, consumption, importation and exportation of these fruits? We have had some information already with regard to apples; could we have the same information with regard to plums, peaches, pears and gooseberries?

Mr. WEIR (Melfort): We have not that information with us. We did not think these questions would be asked except on the estimates, but I will be glad to get the information for the hon. gentleman.

Mr. POULIOT: I regret very much that the minister takes that stand. We are willing to support him if he proves to us that this bill will be of some benefit to the fruit growers. Some hon. gentleman mentioned cherries, another delicious, Canadian-grown fruit, and there are also other fruits I have not mentioned. I am sorry the minister takes that stand, because that means we will have no information before this bill is reported by the committee, and this is where we must ask the minister for that information. When it was stated that this bill would come up today I was sure the minister would be fully prepared to answer questions of this kind, which are closely related to the bill. The estimates do not come up until later; we take only one step at a time. This is the first step; this is the act, the law of the country regarding fruit and fruit growers, and it is of the utmost importance because of some competition which arises early in the spring through imports from the United States and other countries. I believe the minister is too fair to insist upon putting this bill through the committee before the information asked for is made available to every member of the committee. Does the minister insist on his stand or will he reconsider his position.

Mr. WEIR (Melfort): I shall be glad to supply any information asked for by the hon. member.

Mr. ELLIOTT: I wonder if the minister could tell me how this bill compares with the bill that was considered by the Ontario fruit growers' convention?

Mr. WEIR (Melfort): The draft of this bill has been submitted to the various provincial fruit conventions held throughout Canada during the past six months. The Norfolk county fruit growers, communicated with the department concerning the bill. I can say that it has been approved by all provincial fruit growers' conventions throughout Canada, before which it has been placed during the past six months.

Mr. ELLIOTT: It is practically in the form approved by the Ontario growers?

Mr. WEIR (Melfort): Yes.

The CHAIRMAN (Mr. Smith, Cumberland): I should like to direct the attention of the committee to the fact that we are still on section 1, the short title. I think it would be better to pass this section and get on to section 2. The discussion is wandering very far afield from section 1, which has only to do with the title.

Mr. POULIOT: Yes, Mr. Chairman, and in that connection I would point out that the bill has been very carelessly drafted. Honey is mentioned in part 3 and in other places as well; therefore the title should have been drafted accordingly.

The CHAIRMAN (Mr. Smith, Cumberland): The title has been amended.

Mr. POULIOT: I do not mean to say that the amendment is wrong; I believe the amendment is very proper, but the bill should have been properly drafted and the title should have appeared as it is now suggested by the amendment.

Mr. FRASER (Northumberland): I believe I am in order in addressing these remarks to the minister at this time. May I say that the success of this act, which in its present form is wide open with regard to the specifications of fruit containers and so on, will depend entirely upon the way it is administered by the department. In that connection I should like to direct attention to the fact that on March 7 I asked for certain information in connection with the inspection of fruits and vegetables in the different provinces of Canada. The answers I received contained no information at all, and in my opinion were a straight attempt on the part of somebody to evade the necessity of giving proper answers. On February 15 I asked for the same information, and the answers I received then were erroneous, in my opinion; I believe the minister has acknowledged that they were not correct.

I am simply bringing up this matter at the present time to show that without the full cooperation of the fruit branch with the fruit growers under this act, the interests of the fruit growers will not be properly looked after. I should like to go further and place on Hansard a letter which I received from the Minister of Agriculture under date of March

12. From the standpoint of the fruit growers in my riding this was the only way in which they could get the answers to the questions I had asked. Under date of March 12, the Minister of Agriculture wrote me as follows, in regard to the question to which I have referred:

Further to our conversation on the 8th, instant, I am pleased to supply you with the following information with respect to requested inspection of apples for export and domestic marketing, whether voluntary or compulsory.

Owing to different fees payable for less carloads, also coastal traffic and quantities in excess of carloads, destination inspections and reinspections, the records for such service are on the basis of the reports on each inspection, and possibly the information you desire would be more complete in this way rather than to attempt to convert the tonnage into carloads. Under this compilation reports of inspections were issued as follows during the fiscal year ending March 31 last:

British Columbia	5,668
Ontario	2,021
Quebec	129
New Brunswick	22
Nova Scotia	4,514

In addition to the foregoing, there were administrative inspections for which no fees are payable which, if required, could be compiled, although it would entail considerable clerical work. These reports are not issued unless a violation is recorded. The violation reports issued on apples for the year in question amounted to 570 and no fee is payable for these.

The records of fees collected are also kept on the basis of the certificate number with no reference to the class or kind of fruit or vegetables. However, in order that you might have the information desired in regard to apples, the time of two clerks was continuously employed for a period equal to five days each segregating the revenue from inspections of straight shipments of apples but not including apples in mixed cars, and the following fees were collected for the inspections tabulated above:

British Columbia	$16,581 90
Ontario	5,972 30
Quebec	519 00
New Brunswick	46 50
Nova Scotia	13,397 25

The following is the total amount of the inspection fees collected in connection with all fruit and vegetable inspections in each province during the year ending March 31, 1933:

British Columbia	$24,278 20
Ontario	16,797 80
Quebec	4,218 50
New Brunswick	9,737 00
Nova Scotia	13,725 25

If the above does not cover your requirements and you will so advise, we will endeavour to secure the information desired.

Clause (d) of subsection 3 reads:

To provide for the inspection, certification and grading of any kind of fruit and the inspection fees which shall be payable.

[Mr. W. A. Fraser.]

In regard to this clause of the bill I should like to ask the minister if it is the intention, under the bill, to continue the charge for inspection fees on apples in car lots?

Mr. WEIR (Melfort): I would suggest that the discussion be confined to the section now before the committee. The hon. member who has just spoken has directed his remarks to a clause which appears later in the bill. I believe we would make better progress by taking each section as we come to it. However now that the remarks of the hon. member will appear in Hansard I should like to make a few observations in regard to the statements he has made. In the first place, the questions as placed on the order paper by the hon. member were not interpreted by the officials to mean what he evidently had in mind. An hon. member on this side of the house who is interested in this matter stated to me that he did not think the information had been given which the hon. member wanted, or that the officials had not interpreted the questions as would have been expected by the hon. member. I immediately got in touch with and discussed the matter with him, explaining matters as I felt they should be explained.

The hon. member has left the inference that there must have been some reason for this misinterpretation. I suggest that the best test of that is that I believe he now has the information he required, and I leave it to him or to any other hon. member in the house as to whether or not there is anything in that information which any of the officers in the fruit branch would have tried in anyway to keep from him. I believe the hon. member will agree with me that there is nothing in it which the officials would have tried to keep from him in the first place. There are likely to be different interpretations. In the anxiety of the department to get the information and have it forwarded as soon as possible in this instance they may not, perhaps, have given the matter the thought it should have had. I contend, however, that there is nothing in the information which has been supplied which the officers of the department could have desired for any reason to withhold.

With reference to the charges for inspection I would suggest that the questions asked by the hon. member should be left until we reach that part of the bill. Although conditions may change I may say that it is the intention at the present time that charges will be made. I believe there have been no requests from the fruit growers' associations that they should be done away with.

Mr. FRASER (Northumberland): I sincerely hope the minister did not misinterpret my statements in connection with these questions, inasmuch as he feels that I was of the opinion there was any particular reason for withholding information. I did not insinuate that. But if anybody will read the question, particularly those officials in charge of the fruit branch who understand not only the phraseology but the practical application and result of the questions, and tell me that the official, whoever he was, did not know what information I required, I would say that the minister should check up on his officials and deliver a copy of Webster's dictionary to them. They understood the questions perfectly well, and they knew what I wanted.

Let me go further: The third section of my question asked on March 7 is as follows:

How many inspection reports upon apples were issued free of charge during the fiscal year ended March 31, 1933?

And the answer was "570," meaning 570 reports. Can the minister tell me why those reports were issued free.

Mr. WEIR (Melfort): In the case of violations of the act there is no charge made.

Mr. FRASER (Northumberland): May I ask a question in connection with the inspection fee on apples under this Fruit Act, which will of course be left to the discretion of the minister and the department? Would it be the policy of the department to continue charging fruit growers an inspection fee for compulsory inspection, or is it the intention of the government to make that fee cover other horticultural and agricultural products as well? I may say to the minister that the fruit growers in my section of the country and throughout the province, with the majority of whom I come in contact, have felt and do feel that they have been and are being penalized in connection with the charge for compulsory inspection of apples. They do not feel that they are being treated in the same manner as are other producers who do not have to pay an inspection fee. It is my information, and I feel I am voicing the sentiments of the apple industry of Ontario, when I say that the department, particularly when the inspection is compulsory, should either indicate a nominal charge or eliminate the inspection charge altogether, and place the fruit growers on the same basis as the honey producers, or some other producers. Hon. members know perfectly well, as do the officers in the Department of Agriculture, that in the last few years the apple growers have had plenty with which to contend, without being penalized, as they feel they have been, by an inspection fee for compulsory inspection.

Mr. WEIR (Melfort): These charges have been made, so I am advised, at the request of the industry itself. When there is any sufficient representation made objecting to the charge such representation will be given full consideration.

Mr. FRASER (Northumberland): I appreciate the minister's reply as it concerns associations of fruit growers. I have followed the proceedings during the last few months of the committee of the apple growers' associations in the province of Ontario, and if it is the minister's impression that the apple growers of Ontario, and I might enlarge that territory to take in British Columbia and Nova Scotia, are satisfied with the inspection fee, particularly when other products are not penalized to the same extent, I am afraid his impression is entirely erroneous. I would like the minister to assure the committee that consideration will be given to eliminating the fee or that it will be used to advance the interests of the fruit growers throughout the dominion.

Mr. WEIR (Melfort): I have already stated that consideration will be given.

The CHAIRMAN: I would again direct attention to the fact that under section 1, the short title, the discussion has wandered very far afield. It appears to me that it would be much more orderly to pass this section and then proceed with the other sections.

Mr. MACKENZIE (Vancouver): We can discuss the whole principle on the title, Mr. Chairman.

Mr. ILSLEY: My understanding of the rules, Mr. Chairman, is that the principle of the bill can be discussed on the short title. There are a few questions I would like to ask on the principle of the bill. Some of us who have to attend the many special committees of this house have to take such opportunity as presents itself for asking questions on measures in which we are particularly interested.

The first question is, was this bill in its present form presented to the Nova Scotia Fruit Growers' Association, and was it approved in its present form by that body?

My second question is, what situation was the act drafted to meet? What particular abuses is it designed to remedy? What particular change in principle is there between the Fruit Act presently existing and the act as sought to be amended?

If I may be permitted to put all my questions at once, although they are somewhat un-

related, my third question is in reference to the fees for fruit inspection. Is it correct, as intimated by my colleague from Northumberland (Mr. Fraser), that apples are the only agricultural commodity for which the producer is charged an inspection fee? If that is correct, then I submit as my colleague from Northumberland has so forcibly done, that that situation should be remedied. The minister has said that no representations have been made by the industry itself to the effect that inspection fees should not be charged, but I am confident that in the province of Nova Scotia there is the impression that we are being treated as regards apples as are the producers of other commodities, and if the fruit growers of the province of Nova Scotia felt that the producers of other agricultural commodities were receiving their inspection at government expense, while the producers of apples are having their apples inspected at their own expense, the minister would be overwhelmed with protests in a very short time. As the member for a constituency which is vitally interested in the production and exportation of fruit I should like the minister to answer these questions.

Mr. WEIR (Melfort): This bill in practically its present form was presented to the fruit growers of Nova Scotia, and I believe that a copy was also mailed to every member whose name was submitted to the department. There have been one or two minor changes in the bill since, but they are quite minor, and they have been endorsed by the Canadian Horticultural Council at a meeting here with representatives of the fruit industry from, I believe, each province.

In the main this is a revision of the Fruit Act which has been in force for some thirty years, in order to bring it more into line with modern practices in the industry. Apples are not the only commodity which pays a fee for inspection. Within the last two years, at least, the vegetable growers, the turnip growers of Ontario, specially requested that they be allowed to have their vegetables inspected. Vegetables are inspected as well as apples. It is also true that an inspection fee is charged for seed grain inspection. The hon. member for Kamouraska (Mr. Bouchard) reminds me that there is also an inspection fee charged the wool growers. There is also a fee charged for potato inspection and grape inspection. Personally I think the sound thing would be to have each industry pay for its own inspection. That leaves the industry in an advantageous position to ask for any extension or improvement of the inspection. I agree that if it is sound for one industry, it should be the same for all.

Mr. ILSLEY: The minister's answer is satisfactory so far as it goes, but, on the vital matter of the principle of the bill he has scarcely answered my question. He said the bill was being passed to meet the practices in the industry as they exist to-day. My impression of the bill was that its main object was to eliminate rigidity of regulation. I understand that various matters which before were dealt with by legislation are now to be dealt with by regulation and that the minister has power to alter the regulations from time to time, maybe from day to day, as he may see fit. Is that the essential and central principle of the bill?

Mr. WEIR (Melfort): I regret, Mr. Chairman, if I omitted answering certain parts of the questions asked by my hon. friend. I would suggest that if one question were asked at a time it might facilitate the work of the committee.

Mr. ILSLEY: I was simply trying to shorten it.

Mr. WEIR (Melfort): Power is being given to the minister to make regulations where it is felt by the producers as a whole that there should be greater flexibility to deal with situations that arise, such a situation, for instance, as arose in Nova Scotia two years ago, when the second last crop of apples suffered in a big windstorm which knocked down much of the fruit. I stated when this bill was introduced that as long as I held this position, regulations or any changes in them would be submitted to the industry for its approval.

Another change in principle, and this has been almost universally requested, is that brokers, commission agents and dealers, should be licensed and bonded for the protection of the producers.

Another change, perhaps not altogether in the principle, but to a certain extent it is because it comes under the heading of grading, is that fruit that is not fit for consumption cannot be offered for sale except to cider mills or otherwise where it will not come directly into human consumption without being processed.

Mr. ILSLEY: Would the minister tell the committee whether there is any other agricultural commodity the inspection of which is compulsory, as in the case of apples for export, where the producer is compelled to pay the cost of the inspection, and if so what?

Mr. WEIR (Melfort): The following are the commodities that are subject to compulsory inspection: (a) All apples, plums and pears exported from Canada; (b) All grapes moving from Ontario to any other province; (c) All fruit from British Columbia to any other province; (d) All potatoes and turnips from Prince Edward Island; (e) All potatoes and turnips from New Brunswick; (f) All fruit and vegetables from Ontario; (g) All fruit and vegetables from British Columbia.

Mr. ILSLEY: Can the minister give the list of commodities inspected by the government free to the producer?

Mr. WEIR (Melfort): I cannot offhand, but I shall be glad to submit that information.

Mr. ILSLEY: That constitutes the great bulk of agricultural commodities.

Mr. WEIR (Melfort): No the grain growers pay for the inspection of their grain by a levy, and grain is a very large item, perhaps the largest single item in agricultural products in the export trade. Seeds and hay also pay for their own inspection.

Mr. FRASER (Northumberland): In discussing the principle of this measure the minister made a reference a few minutes ago, when explaining how the bill was drafted, to the Canadian Horticultural Council. Does the minister consider the Canadian Horticultural Council a representative instrument of the fruit growers?

Mr. WEIR (Melfort): I should say, from the information available to myself, yes. I know personally a number of those who are members of the Canadian Horticultural Council and my understanding is that they are active apple producers and fruit farmers.

Mr. FRASER (Northumberland): I am very glad to have that reply from the minister because my information, from my dealings and association with the fruit growers and the officials of the Canadian Horticultural Council, is exactly the same as the minister's. I would therefore ask the minister, in view of the fact that this is practically a wide open act so far as specifications and grades are concerned, whether the regulations and changes involved in the sections of the bill will be submitted to the Canadian Horticultural Council, and whether the fruit branch will be guided by the advice of that body.

Mr. WEIR (Melfort): The regulations will be submitted to the Canadian Horticultural Council as well as to any other representative fruit growers' association in the dominion, and the branch will no doubt be guided by their recommendations.

Mr. FRASER (Northumberland): Referring again to the official body known as the Canadian Horticultural Council, representing the fruit and vegetable growers, and affiliated industries, I would ask the minister this question. When considering the continued application of the inspection fee, which I take it from the minister's remarks is the intention of his department, will he take into consideration the advisability, if that fee is levied for these inspection charges, of contributing at least a part of the fee to the Canadian Horticultural Council or to any other established or acknowledged representative body of fruit growers, to assist their work in the interests of the fruit growers?

Mr. WEIR (Melfort): I have already stated that any representations made with reference to the charge of a fee wil be given every consideration.

Mr. FRASER (Northumberland): With reference to the clauses generally of this bill, and particularly section 3, which provides that the minister may from time to time make regulations enumerated in the bill, may I point out that in the past, as a result of the issuing of regulations at an inconvenient time, the fruit growers have been placed in an unfortunate position. On August 19, 1933, an order in council was passed changing the grade, after some of the crop had been sold. I mention this fact only for the purpose of eliminating in the future any possibility of these regulations being made at a date too late to enable the fruit growers to change their methods in order to comply with the new regulations. Again, changes might be made too late to allow of the change in package dimensions or something of that kind. Naturally—and I say this with all due respect—the officials of a department cannot keep in close touch with the particular industries with which the department is concerned, and unless intimation is made from time to time, and in time to take care of the necessary changes that may be involved, to the official body representing the fruit growers, the same condition may arise in the future as arose in 1933 in connection with the order in council of August 19.

Mr. WEIR (Melfort): That is a very fair request.

Mr. FRASER (Northumberland): I am merely trying to point out the difficulties which we have encountered in the past in the industry.

Mr. BEAUBIEN: I have no objection to the fruit growers getting all the advantage possible in their industry, but I am interested in the fruit consumer, because if the fruit grower is going to make a success of his business, his fruit must be consumed. The minister said a few moments ago that a draft of the bill had been in the hands of the fruit growers associations and the horticultural council. Has he taken into full account the interests of the consumers of fruit? I think he will appreciate the importance of this, living as he does on the prairies where we do not grow much fruit but should like to consume some. This bill I understand empowers the department to make regulations, and it sets out those regulations. Now, with regard to apples, so far as western Canada is concerned, a year or so ago the freight on bulk apples was increased to the prairie farmers, although that was about the only way that we could get apples; we depended upon shipments in bulk. The farmers on the prairies are not looking for great big red Mackintoshes or anything like that; they simply want good apples, and if this bill is going to make regulations in regard to packing and grade, whereby the farmer will not be able to buy the fruit which he has been accustomed to get in bulk, it will be unfair to him. I hope therefore that the minister has given the consumers every possible consideration. As regards honey, perhaps the minister would answer this question. Can a man who keeps bees produce honey and put it on the market without being licensed, even if the honey he produces is exported through an agency of some kind? Of course, he generally puts his name on the container. Will he be allowed to go on producing honey without a licence?

Mr. WEIR (Melfort): He would require a licence if the honey is exported.

Mr. BEAUBIEN: Can the minister assure me that he has taken the interests of the consumers of fruit fully into consideration in this bill?

Mr. WEIR (Melfort): Yes, I believe so. One of the changes, in principle, made in this bill is to prevent, as in the past, the shipment in bulk in cars of fruit not fit for consumption. It would appear that in some cases, merely because there was no other market, fruit of low quality would be shipped in bulk, particularly to the western provinces. The enforcement of this legislation will prevent such a condition occurring, in that no fruit may be offered for sale in bulk or otherwise unless it is fit for human consumption.

[Mr. W. A. Fraser.]

Mr. BEAUBIEN: But it may be offered for sale in bulk if it is in proper shape.

Mr. FRASER (Northumberland): In view of the questions by my colleague, I should like to go on record as saying in connection with this legislation that as regards the interests of the consumer as well as the producer, the clauses of the bill will improve the position of the consumer, assuring him of getting suitable apples, apples that are fit for human consumption, instead of those, as the minister has pointed out, that have been shipped in the past and that have been found not fit for human consumption. I should like to go one step further for the information of my colleague. So far as the apple business is concerned, the consuming public of Canada have available practically every year large quantities of good Canadian apples from the Okanagan, the Annapolis valley, Ontario, Quebec and New Brunswick, at prices that have not paid the producer the cost of production.

Mr. BEAUBIEN: That is not the case when the apples reach us.

Mr. FRASER (Northumberland): I am speaking now in connection with the effort on the part of the department to improve the position of the fruit producer as well as to protect the consumer. I might go just one step further and say that the clauses of the bill as now drafted will not in any way increase the cost of apples but will be an asset to the consuming public of Canada for the reasons I have given, by protecting them against shipments of apples that should never be offered for sale, in addition to the fact that the very placing on the eastern as well as the western markets of those apples to which the minister has referred has given the Canadian consuming public a basis for condemning Canadian grown apples. This measure will have the effect of placing Canadian produced apples in at least an equal position so far as quality and grades are concerned with apples imported from New Zealand and other parts of the world.

Mr. BEAUBIEN: I hope the hon. member did not gather the impression that I was trying to cast any reflection upon the apple and other fruit growers. That was not my intention. But the fruit grower is a human being and if all these measures in regard to his industry that have been presented to the commons were presented to him first for his approval, it would be only natural for him to take a little advantage if that were possible. I spoke just to try to see that the man who is not able to produce fruit

and who may be eight, nine or twelve thousand miles away from where he can get an apple, would be fully protected and would be able to eat one once in a while.

Mr. FRASER (Northumberland): I do not wish to take up any further time, but I feel justified in stating in answer to my colleague that unless a catastrophe occurs, there is and will be for many years in Canada, an over production of apples and competition and volume of production will eliminate any possibility of exploitation of the Canadian consuming public by way of the price of apples.

Mr. NEILL: As the whole of this discussion has been out of order for the last hour, perhaps I may also fall in line. We have wandered far afield; we have gone even to section 36, which is in part III of the bill and we are supposed to be discussing the title. This, however, does not matter to me so long as I receive an equal privilege. I should like to ask the minister—and he has already in part answered the question—why he thought it necessary by clause 3, which we have not yet reached, to take out of the act the grades and to put them into the hands of his officials to set by means of regulations. I know he has stated that the reason was to make the regulations more flexible, but that argument does not hold if we look up the old act, because under section 5 it gives him full power to deal with what might be called emergencies. What we should have in the act are the standard, the, so to speak, basic grades. I have often spoken of and have noticed for many years the ever-growing attempt, too often successful, of departmental officials to take power away from the House of Commons and lodge it in their own hands. The way it is done is by means of taking these regulations, grades and forms out of the act and putting them by regulation under the power of departmental officials. A prominent official said to me a few weeks ago—and to prevent misunderstanding I may say that he is not associated with the Department of Agriculture—"You fellows in the house think you are running Canada, but you are not; it is run by officials and regulations and orders in council." It was only last year or the year previous the same minister introduced similar legislation taking grades of hay and straw out of the act and putting them under regulations. I received no satisfactory answer as to why that was done except that it suited the convenience and autocratic powers, perhaps, of the departmental officials.

Why should we want these grades in the act? One reason is that we would have a say as to what the grades should be. It is more than possible that so far as the bill before us now is concerned, the grades are in the minds and possibly on the desks of the officials. We might not agree to those grades, but we do not know what they are and we can only guess at them. The minister says that the act has been submitted to fruit conventions by which I suppose he means conventions of gruit growers, but they did not know what the regulations to be prescribed will be, and it would be selling their rights for a mess of pottage to give the officials full power. I notice when the minister introduced the act, he said that it had been presented to every fruit convention in the last twelve months, but to-day it appears that it is in the last six months, which is quite a different matter. As I say, however, we want these grades in some place where the common people can get at them. It is all very well for the fruit growers in the Niagara peninsula or in the Okanagan valley of British Columbia; they are in districts where the industry is concentrated in raising various kinds of fruit; an inspector is handy and he can give the grades and grade the fruit. But I am speaking of more distant places where people are engaged in a small way in fruit raising. A member of parliament has a copy of the act and he can tell the small grower what the regulations are, or a lawyer will have a copy of the act and it is readily available. But if the grades are contained in the regulations, some man may come to me and say: "What kind of blankety-blank thing have you placed in the act? It means so-and-so to me." All I can reply is that I do not know what it is; I shall have to write to Ottawa and get a reply. That will take a fortnight, and possibly longer. For that reason we should have the grades embodied in the act. We are told that the reason for the change is for flexibility in an emergency, but if that is what the minister wants, it was dealt with under the old act. Why not put the standard, the basic grades in this bill?

Mr. WEIR (Melfort): The request to make this change came from the fruit growers themselves. They felt that if occasion did arise for changing the grades, after submission to them—as to which we have given our assurance—it could be done without delay. True, as the hon. member states, in the case of emergency we have power to do that. But I think we all agree that the people who are most concerned about this matter are the producers, and that they, at these meetings, are in the best position to give the question consideration, bringing their prac-

tical experience to bear upon it. They have requested very strongly that the grades be taken out of the act and power be given to the department to change them or to set up new grades.

Mr. NEILL: Does the minister think that the utter absence of stability is a desirable thing? As one member said, it might be changed in a day or a week. It takes nearly a fortnight to get word to the outlying places. Is it wise that the possibility should exist that at their whim two or three officials, or someone claiming to know all about it, or some horticultural society—my hon. friend to the right seemed to have some doubt about their ability—may get to the minister and have something railroaded through, and then it be discovered afterwards that it is not satisfactory? Meanwhile a lot of fruit has already gone on the market under the previous conception of grades.

Mr. WEIR (Melfort): Allowance is made for cases such as those to which the hon. member refers; anything that has gone forward under a grade is allowed to be sold, even though the grade is changed.

Mr. NEILL: Look at the complications involved.

Mr. FRASER (Northumberland): May I ask when the specifications under this new act will be issued?

Mr. NEILL: When they feel like it!

Mr. WEIR (Melfort): They are being drafted now and will be submitted at the earliest possible date after the bill passes.

Mr. NEILL: Why not before? Would it not inspire confidence in this committee if the regulations were drafted before the bill passes, even if they are not put in the act, so that the members could satisfy themselves that they are satisfactory at least at the start?

Mr. WEIR (Melfort): We feel that the industry itself having requested that authority be given to set up standards outside the act, under the regulations, they have the best knowledge of what is in the interests of the industry. It can only be in the interests of the industry if it is in the interests of the consumer, because the more the consuming public get what they want the more they will buy; it reacts very directly upon the producer. Before sending out our draft of these regulations we wish this bill to go through. We do not think it would be in order to send them out before. Also we wish the bill to get through at the earliest possible date so that it may be submitted to the provinces.

[Mr. R. Weir.]

Mr. FRASER (Northumberland): I am familiar with what took place in the course of the deliberations of some of the fruit-growers conventions and meetings of the Canadian Horticultural Council, and I appreciate the statement made by the minister, acquiescing in the decisions of these bodies. Yet I pointed out very strongly to the representatives of the fruit-growers, and would like to repeat here, from my knowledge of the industry, that I am very much afraid that difficulties and complications are going to arise through the elimination of certain specifications at least in the act. That is my opinion, having as I said considerable knowledge of the industry. I suggest that the minister with his departmental officials should give serious consideration to the question whether it would not be better even at this date to have an amendment to the bill embodying some of the standard specifications, so that they will be known not only to the fruit-growers but to the consuming public, and be standard.

Mr. REID: Is the present bill, with its many regulations, designed to take care of the marketing of all fruit, whether for domestic use or for export?

Mr. WEIR (Melfort): All fruit. With reference to the statement of the hon. member for Northumberland (Mr. Fraser) I cannot agree that after the consideration that has been given to the drafting of this bill, for several months past and from one end of the country to the other, we could now consider changing the draft in such an important particular. Following the principle that has always been followed in connection with the Fruit Act, that all changes be submitted to the industry, it would necessitate months of delay, in fact it could not be dealt with before the next session of parliament.

Mr. FRASER (Northumberland): I appreciate the position and I wish the minister to understand that my purpose is to be of assistance, in the interests of the industry, not criticism or opposition, as far as these specifications are concerned. But I still feel that there are very strong reasons why these regulations should be embodied in the bill.

Section as amended agreed to.

Section 2 agreed to.

On section 3—Power to make regulations.

Mr. REID: The minister answered a moment ago that this bill was designed to apply to fruit for domestic consumption as

well as fruit exported, whether to another province or abroad. If that is the case I would point out that the enforcement of these regulations in the lower Fraser valley is likely to work a grave hardship on the farmers there. I know that the object of such legislation is to improve quality, so that only the best product shall reach the market. We have districts in Canada, such as the Okanagan, where they are engaged in growing fruits such as apples in great quantities, having large packing plants and so on. But in the Fraser valley the farmers are engaged largely in mixed farming, they grow a certain quantity of apples, not very great except in the Chilliwack valley, quite a lot of strawberries, some black currants, some raspberries, etc. which are marketed mostly in the cities of Vancouver and New Westminster. There is a market every Friday and the farmers come to that market with this locally produced fruit. Enforcement of these regulations there would cause difficulty and hardship. That is true for instance in connection with marking the containers, transportation, and the right given to inspectors to stop fruit coming in. Take also the clause by which it is provided that when fruit is held up the owner shall be notified by telegram; if these provisions are enforced in the Fraser valley grave hardship and loss of revenue will result to the small farmer, and I must register my protest. If these regulations are only to apply to fruit exported to another province or beyond Canada I see a good deal of merit in them, because of course we want to export only a first-class product.

Mr. WEIR (Melfort): The matter has been given consideration and will not interfere with farmers in the lower Fraser valley, they will still be free to offer their own products for sale on the markets if in open containers. All that is required is that they shall have on the containers their name and address. That matter has been given every consideration.

Section agreed to.

On section 4—Offences.

Mr. NEILL: I do not know where the minister got some of the information he gave a moment ago, but I certainly want to have it embodied in this section, not merely stated by the minister, before it passes. I do not care whether this act has been approved from Halifax to Hongkong; this thing is wrong and is going to work a great hardship on the small mixed farmers. In answer to the hon. member for New Westminster the minister said that provision had been made to allow the farmer to sell his produce provided it was in an open container, and so on. I will not be satisfied to pass this section as it now stands unless it embodies something more than the assurance of the minister. I do not wish to make any reflection upon the minister; I would take his word for anything in a private capacity, but I have a very vivid recollection of something that happened some years ago in connection with a bill dealing with soldier settlers. I asked the minister if it meant so and so, because I suspected that it might be read in a different way. He gave his word as a minister of the crown that it did mean so and so, and that appeared in Hansard. Six months later I produced that reference, demanding that the bill be interpreted in that way, and I was told by the very same department that they were not responsible for what the minister or anybody else said in the house; they were guided by the act. So I propose, for the moment at any rate, to be guided by what is in this section, which contains two vicious principles. The section reads:

> No person shall transport, pack, or repack, advertise, display, offer for sale, sell or have in his possession intended for sale any fruit in closed or open packages—

Mark that.

> —or in bulk, unless such fruit has been graded, packed, repacked, marked and inspected in accordance with the provisions of this act and regulations.

I will deal first with the question of transport. I am thinking of the small mixed farmer; I am not dealing with the great areas devoted solely to apples and so on. A farmer wishes to send a couple of crates of strawberries to the local grocer and he asks someone who is passing, "Will you take in these two crates of strawberries?" If the passerby says yes he is liable to a penalty of not less than $25 if the fruit has not been graded, packed and repacked in accordance with the act, and it must be inspected as well. It is utterly absurd to ask a man who may transport fruit in a small way to be responsible for the contents. If this goes through he will have to say, "I am sorry, but I cannot take that fruit unless you can prove to me that it has been inspected according to the act."

The other vicious principle is contained in the words "and inspected." I am going to move that those words be struck out. Here we have a small mixed farmer. I do not refer to those who deal only in apples, which are more or less a standard crop, the great bulk of which can be marketed at once. A farmer

may get two or three hundred boxes of apples and then send for the inspector. I am referring to the farmer who grows strawberries, which do not ripen in one day or in two or three days and which cannot be held over and picked up all at once. Everyone knows strawberries must be picked day by day; the whole patch must be gone over and the berries that are ripe must be picked. The farmer may not ship more than two crates to-day and two more crates to-morrow, but he would be liable to a penalty of not less than $25 unless he had those berries inspected before they left his little five-acre farm. He might, with the greatest desire to obey the law, grade them, pack them, repack them and mark them; he might put his whole family pedigree on the box, but unless he has them inspected he may not sell them. He may be 150 miles away from an inspector. How is he to have that inspection done day by day? He may be selling only to his next door neighbour, but unless the berries are inspected he is liable to this penalty.

The minister says this bill has been referred to all these conventions. Yes, but these are the big growers, and it is possible to put over something even at a big convention. People do not always grasp the full meaning of these things. It is not the convention that will be held responsible for this bill; we will be held responsible when we go home. The hon. member for New Westminster said this will bring about chaos in his district, and to a smaller degree it will have the same effect in mine. We will have to explain why we kept silent and let this bill go through. I recall that many years ago in the British Columbia legislature we passed an act dealing with boiler inspection. There was only one man in the house who knew anything about it, and at the time he happened to be away. The rest of us put through the bill in great shape; we vied with each other in showing our ignorance. This gentleman turned up on the last day, when the bill was to go through, and picking up the bill in a rather casual manner he said, "This is a nice bill, but I do not see any provision for a safety valve." Someone said, "Look at section 6." He did so, but found that section 6 dealt with something else. Then he was referred to another section but that did not apply either. Finally he sat down saying, "It seems to me that hon. gentlemen do not know much about boilers." As a result the minister in charge hastily withdrew the bill, which had to be recast in accordance with the casual suggestion made by the man who knew all about the matter.

I only give that illustration to show that possibly conventions, which are not composed of lawyers and which very often are in a hurry, do not always give due consideration to these matters. No doubt they were thinking of their own interests in the big districts where they have inspectors at their back doors, and perhaps they were not as well acquainted with the possibilities as they might have been. I propose to move an amendment to strike out the word "transport." It should not be an offence to transport the goods; the penalty should apply to the man who grows or offers the fruit for sale. I propose also to strike out the word "inspected" and to insert the word "and" before the word "marked." Surely if the grower does not comply fully with the law and sells the fruit when it has not been graded and properly packed, the responsibility is on him. The penalty also is excessive; formerly it was not more than $25 while now it is not less than that amount. I do not know why this change has been made; I should like some information on that point. I move those two amendments, that the word "transport" be struck out in line 12 and that the words "marked and inspected" be struck out of line 16, and that the words "and marked" be substituted therefore. Then this part of the section will read:

—unless such fruit has been graded, packed, repacked and marked in accordance with the provisions of this act and regulations.

I submit that the minister might consider those amendments and perhaps let this section stand for the time being.

Mr. WEIR (Melfort): Mr. Chairman, the hon. member for Comox-Alberni appears to see a great deal of difficulty in this section, but if he had read and considered the section as a whole I think perhaps he would have given it a different interpretation. The section reads:

No person shall transport, pack, or repack, advertise, display, offer for sale, sell or have in his possession intended for sale any fruit in closed or open packages or in bulk, unless such fruit has been graded, packed, repacked, marked and inspected—

Here is the important part.

—in accordance with the provisions of this act and regulations.

This is effective only in accordance with the regulations. A good deal of thought has been given this part of the bill with regard to meeting certain situations which we feel might be very detrimental to the fruit industry, especially in the movement of fruit from province to province or even within a province, in relation to the carrying of disease. So far we have been successful, and perhaps

lucky; I believe there would have been a greater repercussion if some of the shipments that were sent out had not been caught by our inspectors. All that is meant is this: We do not know of any other way that will enable us to check the movement of fruit unless we can take the authority that is given here, and the fruit industry are as one with us in that connection. But provision will be made in these regulations, and we do not know any other way in which everything could be covered so as to exempt the small fruit farmer or any person marketing his products in open packages, or in the ordinary manner in which the small farmer markets his products, on the open market or otherwise. They will be exempt. This will be applicable only in accordance with the regulations which will be set out, and I can assure hon. members that the matter has been given a great deal of consideration. When the bill was before the committee on agriculture I can assure hon. members that this matter was the subject of a great deal of discussion, and those who were vitally interested agreed that it should stand as it is.

Mr. NEILL: The minister's assurance is very much to the point. Were he forever to remain in charge of the department I would ask no other assurance because I would take his word. Unfortunately, however, as I said when I was speaking previously, it is not what the minister says it means, but it is what some lawyer says it means a year later. There is no question that when it is stated in the section that one must not move or sell the product unless it has been inspected—I admit the section contains the words "inspected in accordance with the provisions"—it will be so interpreted. The fact that the word used is "inspected," requires that it must be inspected in some shape, and according to the interpretation section the inspection could be done only by an inspector. The inspector may be situated one hundred and fifty miles away. The minister has said that it was impossible to use language which would take care of the conditions I have described. But if the human brain could conceive the provisions to be placed in the regulations it could also conceive similar language to be placed in the act. That is all I want. It is quite possible to draw up a provision which would state that the section would not apply to the small man who is selling direct to the consumer, or some language of that kind. Right at the moment I have not the exact wording in my mind. I am sure however that if the minister would put his mind to drawing up a section such as I have indicated I would be satisfied.

I have in mind a man who in the summer time, the holiday months, trying to make a few odd cents has his children put up a little stand on the side of the highway from which they sell fresh fruit at first hand, right from the orchard or berry patch to the passerby in a motor car. Unless some provision were made he would not be able to make those sales, because he would not have his stuff inspected. I do not see how one could make an order in council to say that something which has been ordered for inspection shall not be inspected, unless such exemption appears in the act.

Mr. WEIR (Melfort): The section contains the words "inspected in accordance with the provisions of this act and regulations." The regulations will state that such cases as have been described will be exempt from inspection, and will set out those who shall be exempt.

Mr. NEILL: The word "inspection" will not allow for such exemption.

Mr. WEIR (Melfort): The regulation will set out when inspections shall take place. The hon. member mentioned the instance of people who wish to operate small stands at the sides of their farms for the sale of fruit. It was just such conditions as those which led us to use the language we have used, because there are so many questions which could arise. It is felt that the best way to prevent injury being done to such persons is to leave those in charge free to meet each exigency or each case as it arises.

Mr. REID: I should like to draw to the minister's attention something which could and might arise when this bill comes into effect. It may be true, as the minister has stated, that through the regulations the small men will be cared for. I was pleased to note that he was aware that if the bill came into effect without such regulations a hardship would be worked on the farmers in the Fraser valley: Last year in that section of the province there were idle men who took their trucks, went up into the Okanagan valley and brought down No. 1 and other grade apples to the farmers' market. If this bill becomes law and no specific regulation is made these men might complain to the minister or to the deputy that the farmers who were coming in with their local produce of apples were not complying with the law. The minister knows, also, that it is almost impossible for us in the Fraser valley to compete in the apple business with the apple growers in the Okanagan valley, due to the fact that in the vicinity of Vancouver and in the Fraser valley the climate

is a little too moist, with the result that the apple is not of as fine texture, and is more or less diseased due to excessive moisture. Last year these men brought apples from the Okanagan valley and sold them against the farmers' pack in the open market. I can imagine that they might complain to the minister and say that the farmers are not complying with the regulations, because they are not trasporting them properly, packing them properly or grading them properly. Unless some regulation is placed in the legislation I must join with the hon. member for Comox-Alberni in stating that the legislation is not a good enough safeguard.

Mr. FRASER (Northumberland): As I understand the situation, the word "inspected" does not imply that every shipment or every crate or package of apples has to be inspected.

Mr. REID: The minister said it did.

Mr. FRASER (Northumberland): I did not understand that to be the practice. I understood it to be a case of inspection if there is any reason for inspection, on account of the quality of the fruit.

Mr. NEILL: Insert the words "inspected where called for by regulations" or something of that kind. Or, added to the end of the section could be the words "but so as not to interfere with local sales of small quantities." It cannot be gainsaid that when one says a thing must be inspected he cannot by regulation say that it does not have to be inspected. The words in the section are "inspected in accordance with.. ..regulations." The regulation can only qualify the inspection when it takes place. If it said "inspection when called for by regulation" it would be all right.

Mr. MARCIL: I am interested in wild fruit, and I see in the interpretation clause the words "except wild fruit in respect of which no grades are prescribed." Section 4 however applies to any fruit. Why not put in the proviso "except wild fruit," or something like that.

Mr. WEIR (Melfort): "Fruit" is interpreted by the act.

Mr. MARCIL: There is no interpretation of it in section 4.

Mr. WEIR (Melfort): Fruit is set out in the beginning.

Mr. MARCIL: The interpretation clause contains the words "except wild fruit in respect of which no grades are prescribed," but section 4 states "any fruit."

[Mr. Reid.]

Mr. WEIR (Melfort): There is at present no grade set out for wild fruit.

Mr. MARCIL: There is no exception in section 4.

Mr. NEILL: Perhaps the minister would allow it to stand.

Mr. MICHAUD: In view of the discussion which has taken place I should like to ask for some further enlightenment or explanation. I understand that inspection which will be required will have to be made in accordance with the rules and regulations which will be enacted under the provisions or the authority of section 4. Will these regulations and rules regarding inspection and sale be compulsory on the mixed farmer who grows apples or berries in the spring and fall, and who takes them from the orchard to the markets. I refer to the farmer who peddles them to the stores or other places in the vicinity. In the St. John valley of New Brunswick we have farmers who make it profitable to cultivate apples and take them in the fall of the year from the orchards to the markets along the St. John river, a distance of one hundred or one hundred and fifty miles. Will the inspection be compulsory on these people, or will it not?

Mr. WEIR (Melfort): It will not.

Mr. FRASER (Northumberland): I should like to ask one question in regard to section 4. May I give an illustration for the purpose of securing information from the minister? One of the largest fruit growers of Ontario has been accustomed to selling his apples on the trees at so much a barrel. The company to which he sells picks his crop and transports it a matter of twenty-five miles to their warehouse, where the apples are packed in hampers or barrels as the market demands. This man has written me asking how, under this clause, he can get over the regulation in connection with the transport of the crop from the orchard to the warehouse, twenty-five miles away. I have written him in reply, that in my opinion those apples would be subject to inspection when they were packed and offered for sale by the purchaser of his crop in the purchaser's warehouse. Is that correct?

Mr. WEIR (Melfort): Yes.

Mr. FRASER (Northumberland): He was afraid that he would not be permitted to have the crop trucked without a special permit.

Mr. NEILL: The case cited by my hon. friend would certainly be covered by this section which says that no person shall transport fruit unless it has been inspected according to the regulations.

Mr. MOTHERWELL: I wonder if I might make a few observations. The committee when this section was before them, hesitated for some time before passing it but we had the advantage of having the fruit commissioner with us and we had a thorough discussion of all the intricacies involved which this committee has not had. I have had some experience in passing and administering this kind of legislation, and I have found that you always have to have what seems to be a lot of unnecessary severity and a wide application of the law in order to make it generally applicable and cover all possible abuses, in order to catch those who want to get past the inspector and put poor goods on the market. It is better in the main to have the section or whatever it is apply generally, and then make your exceptions afterwards. It may not appear so to those who are not familiar with the administering of this kind of legislation, but that has been my experience. The agriculture committee after hearing the explanations that were given by the fruit commissioner and after hearing the minister, took the ground that it was better to have this section as it stands. There have been a great many abuses in the marketing of fruit in the past. The hon. member for Provencher (Mr. Beaubien) has mentioned some of them, and as a buyer of fruit I have frequently run across such abuses myself. I think at this stage of our marketing experiences it is better that we should make our law pretty strict, and then by regulation make the exceptions for the small man. Producers are often exempted from the application of a general law applied to traders for sound and valid reasons. I have confidence in the fruit branch staff, knowing some of them, and I believe the minister has, and that is the reason he believes from his experience with the staff up to the present that they will be faithful and sane in carrying out what will seem to some a severe law. If I had not this confidence myself I might feel exactly as my hon. friend from Comox-Alberni (Mr. Neill) does, and I might want many things put in the act itself herein left to regulation. I used to think that way myself, but after wrangling over many pieces of legislation involving grading of almost every farm product I have come to the conclusion that it is best not to clutter up the bill with almost interminable provisions only to end up in the committee of the whole house with a compromise bill which leaves you sometimes with a very poor piece of legislation after all. It is better to deal with the exceptions afterwards by regulation So while I understand the attitude of my hon. friend from Comox-Alberni, if he presses his amendment to a vote I shall have to vote for the bill as it stands. I should not like to have to do that because there is enough in what he says for me to suggest to the minister that perhaps he might get together with the minister some of the other hon. members who have raised these objections with a view to getting something that would be mutually agreeable and that would not interfere too much with the purpose the minister and his staff have in mind. That would be my suggestion. I am prepared to support the bill as it is if there is any vote but I prefer not to have to do that if it can be avoided.

Mr. FRASER (Northumberland): Following the remarks of my hon. friend from Melville with regard to the administration of the fruit branch, I should like to say that with the exception of February last when somebody in the branch tried to be funny in answering questions I put on the order paper my experience in dealing with the officials of that branch has been very satisfactory. I think that the hon. members who have taken exception to the phraseology of clause 4 can rest assured that the officials of the fruit branch in conjunction with the industry and the consuming public have only one objective, and that is to regulate the handling of fruit in Canada in the interests of the three branches of the industry and the consuming public. Like my hon. friend from Melville I am quite prepared to support this bill in its present form, having confidence in the officials of the fruit branch and knowing their conscientious anxiety to help the industry in every possible way. That has been our experience—I am speaking of the fruit growers—with the fruit branch. I have no doubt that this act as presented to this committee will be administered by the fruit branch to the satisfaction of everybody just as they have performed their administrative duties in the past. The only fear in my mind has been the point I have brought up. They may under certain conditions, owing to recommendations that have been made by fruit associations in different parts of the country, feel it is necessary for them to put into force

regulations under this bill either too soon or too late to suit the conditions of the industry. I am satisfied, however, that if the fruit branch will keep in touch with all branches of the industry and keep well informed, as they generally do, we shall have no difficulty under this bill as it now stands.

Mr. NEILL: If the hon. member for Melville and the hon. member for Northumberland are going to desert me perhaps I had better withdraw my amendment. If they prefer to deal in trust and hope and faith and charity as compared with the strict letter of the law, that is their privilege. For my part, a long experience has taught me to fear God and trust no man, and I much prefer to see what I want put in the act, rather than trusting to the good judgment and fair-mindedness of somebody else. If I withdraw the amendment does not the minister think he might meet me to this extent, that after the word "inspected" he might put in a word or two to convey the idea "when or if the inspection is required by the provisions of this act and regulations." I would say to the hon. member for Melville that if it is possible to put suitable language into a regulation it should be possible to put it into an act.

Mr. MOTHERWELL: There is this difference, that you have to wait for another amending act of parliament to change the act if changes are found desirable and that would take a year probably to do, while frequently you want changes in mid-season to suit the vagaries of the weather and changes in the type and quality of the fruit. Regulations therefore can be changed at any time of the year, and that is why they are much more serviceable to those whom we are trying to serve, mainly the consumers and the producers.

I might make another observation to overcome one of the difficulties that might otherwise arise. In no case should a copy of the Fruit Act be sent out to an applicant who requests it unless a copy of the regulations is nailed right on to the act as a part of it. If that is not done you will have this difficulty and misunderstanding multiplied by hundreds. I would make it so that the regulations could not be separated from the act. I suggested in the committee that the enabling legislation passed by the various provinces concerned should also constitute part of this law; that is to say, the law should be in triplicate: the act itself, the regulations, and the enabling legislation of the provinces. That would get over a good deal of the difficulty. We seem to be buying a pig in a poke, though we are not really doing so.

[Mr. W. A. Fraser.]

Mr. WEIR (Melfort): I appreciate the fact that the hon. member for Melville has brought this point to the attention of the committee. It is the intention that the regulations and the act will be included in the same pamphlet or publication.

Mr. MOTHERWELL: That is good. I remember they used to be separate and the two would get separated and one might be lost.

Mr. NEILL: Will the minister's remarks as they appear in Hansard be embodied in it so that people will know what it means?

Mr. WEIR (Melfort): The substance of it.

Mr. NEILL: Does not the minister think that he could see his way to put in the words I suggested, "when and if?"

Mr. WEIR (Melfort): We will give it consideration.

Amendment withdrawn.

The CHAIRMAN (Mr. Smith, Cumberland): Shall the section carry?

Mr. NEILL: No; it stands.

Mr. WEIR (Melfort): I do not think anything would be gained by allowing the section to stand. I have stated that the regulations sent out will be published with the act, and that should be sufficient. If any extra words would help we shall be glad to consider them. I do not wish the committee to think that I am over-anxious not to receive any amendment such as has been proposed, but my concern is to get the measure through as quickly as possible so that the provinces may have it this coming week.

Mr. ELLIOTT: I happen to come from a riding in which a great deal of excellent fruit is produced, and I understand that the act as presented was passed upon by the Ontario fruit growers at their convention. I have a great deal of regard for any suggestion coming from the hon. member for Comox-Alberni, but I submit that, unless he is very warmly wedded to the suggestion he makes, the more nearly the committee keeps to the act approved by the fruit growers the better it will suit, at any rate, the Ontario district that I represent, because I know that they gave it a good deal of consideration at that time.

Section agreed to.

Sections 5 to 13 inclusive agreed to.

On section 14—carelessly destroying fruit, etc.

Mr. NEILL: I call the attention of the minister to this section:

> Every person who carelessly handles, destroys or pilfers any fruit in the process of packing or handling in transportation, warehousing or otherwise, shall be guilty of an offence.

The penalty used to be not more than $25, but now, under section 22, it is provided that the penalty for a first offence shall be a fine not exceeding $50 and not less than $25. That is too drastic for any very trivial offence. This is not a matter of fraud or the misrepresentation of grade, or trying to put anything over the public; the offence might consist merely in careless handling. Who has not carelessly handled fruit? A man may get a contract to truck fruit to be taken twenty-five miles away and while loading it, a pretty girl comes round the corner and his attention is momentarily diverted; one of the boxes falls and a corner is broken. The man has no opportunity to evade punishment even for a first offence and the minimum fine is not less than $25. I suggest that this is out of keeping with the penalty imposed for any ordinary offence such as careless handling. I believe it is the experience in all criminal jurisprudence that severe penalties do not lead to the enforcement of law but rather to the evasion of it, because the magistrate, who is generally a decent man, will not impose a heavy penalty as a minimum, and rather than do that he will let the defendant off. Moderate penalties should be resorted to. I will not put the point to a vote, but I would ask the minister why he thinks it necessary to double the penalty that was formerly imposed.

Mr. WEIR (Melfort): This was one point on which there was no difference of opinion in the recommendations of any of the associations. They were all of one mind, that because of the lightness of the penalty as it existed it was not a sufficient deterrent to offences.

Section agreed to.

Sections 15 and 16 agreed to.

On section 17—Powers of inspectors.

Mr. REID: How many inspectors will be appointed under the act?

Mr. WEIR (Melfort): A total of 344 were employed under the existing act.

Section agreed to.

On section 18—Detention of fruit and notice.

Mr. STIRLING: I move that the word "immediately" be inserted before the word "notify" in line 13. With the present wording it might be that the inspector might allow several days to elapse before notifying, and it is desirable that he should do so immediately.

Mr. MOTHERWELL: That was agreed to in the committee.

Amendment agreed to.

Section as amended agreed to.

Sections 19 to 21 inclusive agreed to.

On section 22—Offences against sections 4 to 15.

Mr. NEILL: This is another example of the take him out and hang him business. For any offence connected with this act, however trivial, the fruit may be placed in detention at the expense of the owner, or forfeited to His Majesty and destroyed or otherwise disposed of as the minister directs. One could understand it if the fruit were unfit for human consumption, or if there were any misrepresentation in regard to grade. But that is not the provision; it applies to any offence, however trivial: it refers to all fruit in respect of which any offence has been committed. That might apply to offences under section 14, where the fruit had been carelessly handled on the truck. An offence is committed in respect of it and under clause 23 the fruit may be forfeited to His Majesty. Why should it be forfeited to His Majesty and what is the provision for doing so? Is the inspector once again to have the power to do this just on his mere say-so, or is there provision for going before a court and ordering the forfeiture? These words mean nothing and should not be in the clause or else there should be provision for proper, legal forfeiture. It is very drastic to say that for any offence, however trivial—and it may be a most casual one—the whole consignment may be or shall be forfeited to His Majesty. The word used is "shall." I should like an explanation of that.

Mr. WEIR (Melfort): Section 23 is to enforce the observance of the act from the time the shipment leaves the producer until it reaches the consumer. Perhaps too much emphasis has been laid on any offence, no matter how trivial. I have no doubt any offence will be given the same consideration that has been given in the past in the

interpretation of the spirit of the act. For example, during the past year we have been particularly fortunate in the work of our inspectors with reference at least to one matter and that is inspection in connection with the apple maggot. In the United Kingdom where there is great concern about the danger of this apple maggot being imported and becoming a menace to the fruit growers there, they have been very careful in checking up on all shipments going forward. As regards the result of the work done by the inspectors in Canada during 1932-33, the figures are as follows:

Number of paid inspections..	26,681
Reinspections asked for..	245
Reversals in the inspection certificate.	16

That is of grade. The percentage of reversals over the total number of inspections was ·06.

I cannot emphasize too strongly the importance of having sufficient teeth in this legislation so that there will be no inducement for any person to try to evade in any way the provisions of the act. That is why we have had to insert the privilege of entering for inspection any type of transport and the provision that no transport, rail, truck or otherwise, may accept fruit unless it is covered by these inspection certificates. The producers' associations insisted that such a penalty be incorporated as would prove a decided deterrent to infractions of the act.

Mr. NEILL: The attitude of the minister sems to be that the legislation is very drastic but it will be enforced in a manner less drastic than called for by it.

Mr. WEIR (Melfort): I admit that it is drastic. They wish it to be drastic.

Mr. NEILL: I wonder whether the people who agreed to that fully grasped the meaning of these words:

Or shall be forfeited to His Majesty.

Would the minister ask his colleague the Minister of Justice how that will be interpreted? Will the inspector do the forfeiting, or will there be provision for going before a court? It will be recalled that the same question came up the other day on the Meat and Canned Foods Act. The section was withdrawn and I understand it is to be replaced by providing that confiscation may take place on the order of two magistrates. Will that apply in this case, or is it just to be the inspector who shall have power to come along, wave his hand and say that the goods will be forfeited?

[Mr. R. Weir.]

Mr. WEIR (Melfort): No, after conviction.

Mr. NEILL: But that is not in the legislation. I really must draw the line in continually accepting the minister's assurance. Surely provision should be made in the legislation that forfeiture shall be only after conviction and after such forfeiture is ordered by a competent court. As the clause reads now, it means either nothing or too much.

On section 23.—Detention of fruit.

Mr. STIRLING: With regard to section 23 I beg to move:

That in line 29 the word "shall" be struck out, and the words "after conviction by a court of competent jurisdiction may" be inserted instead.

Mr. MACKENZIE (Vancouver): Does not the word "conviction" there relate back to the word "owner" in line 27? Should it not be "after a conviction"? It has to read "or may after conviction," I understand. The conviction is against the owner.

Mr. GUTHRIE: The owner is the only one mentioned in the section, is he not? Perhaps it should be "after conviction of the owner."

Mr. MACKENZIE (Vancouver): Yes, that makes it quite clear.

Mr. NEILL: Might I ask the Minister of Justice (Mr. Guthrie) if that makes it clear that the court will do the forfeiting, not the inspector?

Mr. GUTHRIE: It cannot be forfeited until there is a conviction. The forfeiture will follow the judgment of the court. Then the subsequent destruction or disposition is in the hands of the minister. He can give it to a hospital or use it himself.

Mr. ELLIOTT: Is the Minister of Justice adding anything to this section by the amendment?

All fruit and all fruit packages in respect of which any offence against this act or regulations is committed . . .

Nobody knows whether it is committed or not until after the conviction.

Mr. GUTHRIE: It was only to clear up the point raised by the hon. member for Comox-Alberni (Mr. Neill) that there could not be any forfeiture until after a conviction, that the words were added.

Mr. ELLIOTT: It is not clarifying it, it is making possible two constructions.

Amendment agreed to.

Section as amended agreed to.

On section 20—Head packers.

Mr. FRASER (Northumberland): Relative to clause 20 I would like to ask what the purpose is or what the department has in view in connection with the registration of foremen or head packers?

Mr. WEIR (Melfort): The request for that was quite general, I believe, and particularly from Nova Scotia. They thought that by licensing the foreman packer responsibility could be fixed, and it would improve the quality of their pack.

Mr. FRASER (Northumberland): Is it then the intention to vest in the head packer any authority of inspection?

Mr. WEIR (Melfort): No.

Mr. FRASER (Northumberland): I ask that because one of the Ontario fruit associations has, I believe, approached the provincial department in connection with just this sort of thing with another object in view, that is that they would have available on the premises an official inspector. I want to guard against any possibility of division of authority between the handler and your department.

Mr. WEIR (Melfort): That would defeat its own purpose, I should think.

Mr. ILSLEY: Section 20 does not impose any restriction upon the employment of unregistered packers, does it?

Mr. WEIR (Melfort): No.

Mr. ILSLEY: It merely authorizes the preparation of a book here in Ottawa in which the names will be written.

Sections 24 to 36 inclusive agreed to.

On section 37—Regulations.

Mr. REID: Will this bill conflict with the provincial regulations? Am I right in assuming that the regulations contained in this bill are for the sole purpose of regulating the grading of honey for export only, not for home consumption?

Mr. WEIR (Melfort): There are no provincial regulations with regard to the grading of honey, I am informed. This grading will only be compulsory for export out of Canada.

Mr. REID: I think this section should be more specific, because the explanation says that the purpose of this part III is:

to establish classes and grades for all Canadian honey shipped from the province in which it is produced to any other province or out of Canada;

But subsection (a) reads:

to provide for the classification of honey . . .

I think the words "for export" should be added there to make it clear that what is being classified is honey for export.

Mr. WEIR (Melfort): Within the province it is optional. We expect there will be a demand to have it made compulsory, once the people see the advantage of it.

Mr. REID: Reading the section right through, subsection (b) says "intended for export." From subsection (c) those words are omitted. I claim those words should be inserted in that subsection, it should read "all containers in which honey 'for export' shall be packed." . . . Then you find the words "for export" in the other clauses until you come to (i). If it is the design of the bill that it shall relate to honey for export that should be specifically stated in every clause. Why are those words in some clauses and not in others?

Mr. STIRLING: I beg to move that section 37, subsection (c), be amended by inserting the words "for export" after the word "packed."

Amendment agreed to.

Section as amended agreed to.

Sections 38 and 39 agreed to.

On section 40—Registration.

Mr. NEILL: Will the minister explain what is meant by the assembling of honey, and also how the registration is to take place?

Mr. WEIR (Melfort): The purpose of this section is to provide that the individual who may assemble honey from different farmers will have to be licensed so that it will be possible to check up, if any complaint is made, as to whether the sources from which he secured his honey are supervised to ensure proper sanitary conditions.

Mr. NEILL: It would not apply to a shipping broker?

Mr. WEIR (Melfort): He would be an exporter, I should say.

Mr. NEILL: And how does the registration take place?

Mr. WEIR (Melfort): This applies to the man who collects honey from the various farmers.

Mr. NEILL: How is the registration to be carried out? Does the man apply to someone, or what is the procedure?

Mr. WEIR (Melfort): This is done also by regulation.

Mr. REID: Will this affect the ordinary apiarist who has enough honey of his own to export?

Mr. WEIR (Melfort): Yes. It is just a matter of form, getting the registration or the licence.

Mr. MOTHERWELL: Will this honey be assembled at the usual points of export, as has been the case during the voluntary grading, that is, at Montreal and Saint John, or will it be assembled on the Pacific coast also?

Mr. WEIR (Melfort): The inspection will take place at any of the various warehouses where it is assembled.

Mr. MOTHERWELL: In the interior also?

Mr. WEIR (Melfort): Yes.

Section agreed to.

Sections 41 and 42 agreed to.

The CHAIRMAN (Mr. Smith, Cumberland): Shall I report the bill?

Mr. SMITH (Victoria-Carleton): I was called out a moment ago, and I was particularly interested in section 18. I wonder if that section was amended.

Bill reported.

DAIRY INDUSTRY ACT

Hon. ROBERT WEIR (Minister of Agriculture) moved the second reading of Bill No. 38, to amend the Dairy Industry Act.

Motion agreed to, bill read the second time and referred to the select standing committee on agriculture and colonization.

DESTRUCTIVE INSECT AND PEST ACT

Hon. ROBERT WEIR (Minister of Agriculture) moved the second reading of Bill No. 39, to amend the Destructive Insect and Pest Act.

Motion agreed to, bill read the second time and referred to the select standing committee on agriculture and colonization.

LIVE STOCK AND PRODUCTS

Hon. ROBERT WEIR (Minister of Agriculture) moved the second reading of Bill No. 40, to amend the Live Stock and Live Stock Products Act.

Motion agreed to, bill read the second time and referred to the select standing committee on agriculture and colonization.

[Mr. Neill.]

SUPPLY

PENSIONS AND NATIONAL HEALTH

The house in committee of supply, Mr. Tummon in the chair.

European war—naval, militia and air forces after the war—$42,000,000.

Mr. RALSTON: The minister is aware of the discussion which has already taken place with regard to the action of the board of pension commissioners in making deductions from or completely suspending pensions of pensioners in cases in which it was considered there had been some irregularity as to marriages, or where proof of marriage had not been sufficiently established. A short time ago a statement was made in the house by the Prime Minister to the effect that pensions were being paid, and that a review was taking place. Would the minister make a statement as to the nature of the review which is taking place, and the proceedings going forward with regard to settling the merits of the cases and rights of the pensioners?

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): The reviews as carried on by the pension commission began on or about February 1, 1933. The amended Pension Act did not become operative until October 1, 1933. During that interval while the amendments to the act were not operative reviews were held regarding a considerable number of cases, without the application of the principles which were laid down in the amended act. That is to say, the cases concerned were not considered before quorums of the pension commission, and decisions were reached in those cases as a result of inquiries and completion of forms submitted to the men concerned. As a result, in some cases pensions were either cancelled or reduced. Had the amended Pension Act then been operative the procedure would have been different. It was laid down in the act that before these cases are considered the people interested shall have an opportunity of appearing before a quorum, and be given a hearing. Following that, decisions may be reached.

Mr. MACKENZIE (Vancouver): Does that section of last year's legislation apply to the marriage cases?

Mr. MacLAREN: I understand that it does. It is true that the hearings are held on the ground of basis of entitlement.

Mr. MACKENZIE (Vancouver): That was an omission made in last year's legislation.

Mr. MacLAREN: As these cases were then dealt with in a manner different from that which would have been followed had the act

been operative, and in a way which parliament had intended should be followed when the act became operative, it was felt that in conformity with the general principle of, shall I say, British justice, those who came under the present amendment, whether or not the act was actually operative, should have an opportunity to be heard. As the house is aware, that policy has been followed. As was announced in the house by the Prime Minister, the present position is that those cases which were dealt with between February 1 and October 1, 1933, should be restored to their former status, that such reductions, or amounts arising from such reductions or cancellations should be restored to all those whose hearings before quorums are pending. I understand that very largely the refunding has taken place. A considerable number of cheques were to be made out, and they have all been, or soon will be, refunded.

As to marriage cases I have this to say: There is a good deal of difficulty reaching decisions in such cases and the course which has been followed has been that they are referred to the Department of Justice. I do not know that all such cases have been forwarded, but I do know that either that has been done or they are being prepared for forwarding to that department. I do not know what the advice of the Department of Justice will be, but the pension commission will be advised. I understand that these irregular marriage cases may be classified in certain groups, and that decisions will be reached in accordance with the conditions formed in the different classifications. I have no definite information on that point. So far as I am aware the Department of Justice has not yet advised the pension commission in this connection. If there is any other point about which the hon. member would like to ask, I would be pleased to answer.

Mr. RALSTON: The matter to which the minister first referred is not the particular classification I had in mind. However since he has opened the discussion we may as well deal with that angle of the matter. In section 5 of the act passed last year provision was made that pensions should not be cancelled or, due to a change in the basis of entitlement, before the pensioner was afforded an opportunity of appearing before a quorum of the commission. On that point I complain and complain very bitterly that notwithstanding the fact that that was in the act, simply because of the fact that the act was not proclaimed until October 1 the board of pension commissioners proceeded to review nearly 77,000 cases and cancelled or reduced many of them on the ground of a change in the basis of entitlement without any hearing of any kind. That complaint remains, notwithstanding the remedial measures which have been taken. That, it is true, was not in defiance of any act which was in force, but it is in defiance of the spirit of the legislation. I feel quite satisfied that the minister concurs in the idea which parliament had at that time, and that was from the time that this act was passed parliament accepted the principle that a change should not be made in pensions where the basis of entitlement was concerned without giving the man a hearing. The minister concurs, I think, in that principle. It was at least contrary to the spirit of the act that such a change should be made. That is one class of cases to which the minister has referred, but I am not dealing with that class at the moment. I understand from the minister that these pensions where a reduction or cancellation was made on the basis of a change of entitlement have been restored. Is that correct?

Mr. MacLAREN: Yes.

Mr. RALSTON: To the full extent which existed before the review was made?

Mr. MacLAREN: So I understand. They have been either restored or are in the process of restoration. I think they have been restored, but there were a good many to deal with, and restoration proceeded at once after having been announced in the house. I would like to make this clear, without reflecting on the board of pension commissioners at all, that my view, as a non-legal man, is and has been that it was simply an act of justice that every man, whether in the end he was proved to be in error or not, should have the opportunity of having his case presented and being heard. That is the principle that is pursued in all our courts, that a man has the opportunity of being heard however clear apparently the case against him may be. That is a primary requisite. That has been my view and I am pleased to say that it is the course that is being followed to-day. It is an essential of justice that a man should have the opportunity of a hearing before his case is decided.

Mr. RALSTON: I understand that the minister made known his views in that respect to the board of pension commissioners, did he not?

Mr. MacLAREN: That is the case, yes, and I think the correspondence will show it. What I should like to say about anything in

the correspondence is that my views apply to all these cases of entitlement or irregular marriages. I drew no distinction because I thought the same principle applied to both. Naturally everything does not appear in the files because, as hon. gentlemen know, my offices are located in the same building and we find it advantageous to have discussions and conferences of which no record is kept.

Mr. RALSTON: I presume the minister means by that, that in conferences as well as by correspondence he made known those same views to the board of pension commissioners.

Mr. MacLAREN: I made my views clear.

Mr. RALSTON: That, as the minister says, applies to all cases—

Mr. MacLAREN: Except assessments, naturally.

Mr. RALSTON: Except assessments. Let me point out to the minister that as I understand it any reviews which are taking place are only reviews in connection with cases where there is alleged to have been a change in the basis of entitlement and pensions have been cancelled or reduced. Is that correct?

Mr. MacLAREN: I do not quite understand whether the application is to the first of February or to the present time.

Mr. RALSTON: I am asking the minister whether the new reviews or the re-reviews which are taking place are in connection with all cases of assessment or are in connection only with cases where there is alleged to have been a change in the basis of entitlement.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 9, to incorporate the Bishop of the Arctic (as amended, and recommending that the title of the said bill be changed to "An Act to incorporate the Bishop of the Arctic of the Church of England in Canada").—Mr. Geary.

Bill No. 35, to amend the Criminal Code (Race Meetings).—Mr. Morand.

[Mr. MacLaren.]

SUPPLY

PENSIONS AND NATIONAL HEALTH

The house again in committee of supply, Mr. Stirling in the chair.

Mr. RALSTON: Before six o'clock we were dealing with the procedure which was being adopted in connection with the re-reviewing of cases which had been reviewed by the board of pension commissioners at the instance either of the board or of the auditor general since February, 1933. I was asking the minister what steps were being taken to secure a re-review of the cases particularly dealt with in the proviso to section 5 of the consolidated Pension Act, that it the cases where the pension has been cancelled or reduced due to an alleged change in the basis of entitlement. By whom are those reviews being conducted, and what machinery is being provided to do the work?

Mr. MacLAREN: The pension commission consists of eight members divided into quorums usually of two, and as two members remain at headquarters, this means that three quorums are moving about the country hearing the cases. Does that answer the hon. member's question?

Mr. RALSTON: I understand from the minister the review is being conducted by the members of the pension commission themselves.

Mr. MacLAREN: I am not now speaking of the reviews; I am speaking of the hearing of the cases. At the present time cases regarding entitlement are being heard before quorums. As I understand the matter, this is not a review.

Mr. RALSTON: Perhaps I misled the minister in using that term. I meant a re-review of cases which had already been considered and regarding which action had been taken.

Mr. MacLAREN: As regards the review of those cases which had been dealt with prior to October 1, they will be heard before quorums.

Mr. RALSTON: That is to say, those quorums which travel around will at regular sittings give notice to the pensioner to allow him an opportunity to come in and be heard as to the claim being made that his pension should be reduced.

Mr. MacLAREN: Let me put it in this way: Those cases that have been dealt with prior to October 1, 1933, that is which have

been dealt with without a hearing, will be heard. The pensions have been restored in the meantime. The men who are affected will be notified and their cases heard before a quorum.

Mr. RALSTON: My difficulty in connection with that class of cases is this: The members of the Canadian pension commission are only human and, as the minister knows, the decision has already been made in connection with those cases. That is, deductions or cancellations have been made presumably on evidence which the board of pension commissioners consider to be sufficient. Does the minister think it is quite fair to the pensioners to refer them again to the same court? That is what I bring to the attention of the minister, and, as he knows, I have already called it to the attention of the government. The decision having already been made against the man and a reduction in pension having taken place, I feel he starts under a handicap, particularly as the restoration has been made not voluntarily by the board of pension commissioners but on account of an assurance given to the house by the Prime Minister. Is it quite fair to applicants to ask them to go before the same tribunal which has already decided their cases?

Mr. MacLAREN: I do not know how far that point has been considered. I can quite understand it would be more suitable for those men to be heard before a different tribunal, although it consists of two members of the commission. It would be a fair procedure if those men were heard by a tribunal other than that which has already passed upon their cases. I wish to get this correctly. Those cases which have been dealt with were dealt with at headquarters here and no doubt that would involve only a certain portion of the commission because the men's cases were considered on their records here. I would think it could be readily arranged that those men when they had their hearings would come before a quorum which had not already given decisions from the records at headquarters. Have I made that clear?

Mr. RALSTON: Yes.

Mr. MacLAREN: I do not know whether it might have happened that they were all present here at some time and took part, but I think it would be desirable so far as possible to arrange that the hearings which are to take place before the quorums in regard to those men on whose cases decisions have already been taken, should be before members of the pension commission who had not taken part in the previous decisions.

Mr. RALSTON: I agree with the minister as to that. I feel there is a good deal to be said for going further than that, that the fact that members of the same tribunal have made a decision, makes it a little more difficult for the applicant to reestablish himself, if I may use that expression, before brother members of the same court. I certainly agree with the minister that this is at least going part way and recognizing the principle in which I think he agrees with me, namely, that a man should not rejudge a case on which he has already formed an opinion and rendered a decision. That has to do with cases which were dealt with on the ground that there had been a change in the basis of entitlement. Has the minister the approximate figures of the number of cases in which reviews were made from February 1 to October 1, 1933, and where the pensions were either cancelled or reduced because of what was alleged to be a change in the basis of entitlement? How many cases are there in that particular class?

Mr. MacLAREN: While the figures are being looked up, I might say that I am unaware of what the pension commission may have arranged in regard to these hearings. They may have already decided upon some procedure that they thought was the fairest that could be adopted. I am not aware of what was in their minds or what they proposed doing, but I shall see to it that this viewpoint is brought to their attention. I do not wish to imply that they are not already arranging for hearings in accordance with a similar method.

Mr. RALSTON: I have not suggested that.

Mr. MacLAREN: I know that. They may have done so, because naturally as they administer all these matters, this does not come under my observation except casually or accidentally. I believe I made the return which answers the question put by the hon. member for Shelburne-Yarmouth. The figure I have here is 1,420. Does that correspond—

Mr. RALSTON: No, but I recognize that figure. In the first place that has to do only with dependents' pensions, and in the second place it has to do as I understand not simply with pensions which were changed on the

ground of a different basis of entitlement, but pensions which were reduced because of a change in the rate of assessment. That is not the figure I asked for.

Mr. MacLAREN: I believe the figure is 1,003.

Mr. RALSTON: I want to be sure about that. I have that figure too; it was given me in sessional paper 123B as the number of disability cases in which pensions were reduced from January 1, 1933, to September 30, 1933. What I want to know is whether in all those cases they were reduced on the ground that there was a different basis of entitlement, or whether some were scaled down on the basis of there being a different degree of disability.

Mr. MacLAREN: I believe it was on the basis of entitlement.

Mr. RALSTON: Then can I take it that all the 1,003 cases to which the minister refers, which are mentioned in this return, will be reheard by the Canadian pension commission under the assurance given by the Prime Minister, but not reheard by members who have already heard the cases here?

Mr. MacLAREN: My answer would be that they will be reheard, or opportunity given to have them reheard—for some of these men may not be found—and as far as possible reheard by others than those who have already adjudicated upon them. I can see a possibility that if all the commission were here and all took part in adjudicating on any cases, that would not be possible. I do not know, but I presume that was not the case. I think I can assure the hon. member for Shelburne-Yarmouth, as far as my representation would go, that these cases will be heard by a different personnel of the commission.

Mr. GEARY: The new commission was appointed some time in the autumn, I understand. A great many of these cases were ruled upon by what must have been the old board of pension commissioners. I think it would be quite simple to find out which members of that board heard the different cases.

Then it is entirely incorrect to speak of these as rehearings. These men have not had a hearing at all. Their pensions were cut down in the first place from the head office of the board of pension commissioners, and in the second place by the newly constituted body. I take it they are having a hearing for the first time. I think the minister will find that the great majority of these cases were dealt with by the old board of pension commissioners. It would be a simple matter to let them know that it is the sense of this committee that they would be doing what they had no business to do if they undertook to hear these cases, after having once ruled upon them, ex parte as it were.

Mr. MACKENZIE (Vancouver): I quite agree with the hon. member who has just spoken. I think all these 1,003 cases were decided by the board of pension commissioners, and it is also reasonable to assume that the chairman of the old board was one of the quorum of the board that decided the cases. I suggest very strongly that that chairman, who is now chairman of the Canadian pension commission, be not permitted by the department to take part in the adjudication of these cases. I think it would be very unfair. These are to be new hearings, as promised by the Prime Minister. The men were not present before; the cases were heard in secret, and I suggest strongly to the minister that the chairman of the old board, who is now chairman of the pension commission, do not adjudicate at the new hearings at which the pensioners are to be invited to be present.

Mr. MacLAREN: While the discussion was proceeding I overlooked this fact, that during the period we are speaking of there were only three members of the old pension board, perhaps with a medical adviser who was a member ex officio, making four. So as a matter of fact there would be only four at the most, which would leave the other four who could not possibly have dealt with any case, because they had not been appointed. That will make it all the easier to carry out the idea.

Mr. RALSTON: I am putting this on record for the use of the minister in dealing with this matter as he has suggested. He has mentioned the 1,003 cases in which pensions were reduced. Let me point out that that is only the number of disability cases in which pension was reduced. In addition there were 960 disability cases in which pension was cancelled.

Mr. MacLAREN: The figure I have in my book is 690, but 960 may be right.

Mr. RALSTON: There may have been a transposition of figures in copying. Now in addition to those which are disability pensions, and, as I understand, disability pensions which were either reduced or cancelled because of alleged change in the basis of entitlement, there were 277 dependents' cases

in which pension was reduced and 59 in which pensions were cancelled. So the grand total is, I think, 2,299 cases. I put that on record now so that the minister in checking up the matter with the Canadian pension commission can see to it that that number are given the opportunity to which he referred to-night. Will the minister correct me if I am wrong?—because I want to be sure about this. The minister's information is that all these pensions were altered on the basis of a change in entitlement?

Mr. MacLAREN: That is what I understand.

Mr. GEARY: Does the return which my hon. friend has indicate how many of these were altered on account of the point concerning marriage?

Mr. RALSTON: Yes, that is separate altogether. I was coming to that next. In addition to the numbers I have mentioned, according to this return there were, between January 1, 1933, and September 30, 1933, disability cases to the number of 166 in which pensions were suspended entirely or reduced, due to alleged overpayment on the ground of invalidity of marriage. In addition there were two cases of dependents' pensions which were either suspended or reduced for the purpose of recovering overpayments claimed on the ground of alleged invalidity of marriage.

Mr. MacLAREN: I think the pension would not actually be reduced, but payment, or a portion of it, would be withheld.

Mr. RALSTON: The minister is quite right in the expression he uses; I think one should say suspended or partly suspended.

Mr. MacLAREN: Or withheld.

Mr. RALSTON: I am not suggesting that the pension was cut down, but that a portion of the pension was withheld in order to recover an alleged overpayment. There are 168 such cases, and I should like to deal with those for a moment because those are the cases to which I was particularly referring in the house the other day. Under section 5 of the Pension Act parliament imposed upon the board of pension commissioners the duty of considering and adjudicating upon all questions relating to the award, increase, decrease, suspension or cancellation of any pension under this act and the recovery of any overpayment which might have been made. I take it that in the exercise of that power the board of pension commissioners from January 1, 1933, to September, 1933, suspended either entirely or partially 168 pensions, and I may say that from October 1 to December 31 they suspended 64 more, one a dependent's pension and 63 disability pensions. This is water gone over the dam, and I do not want to go into it at length to-night. The Prime Minister and the Minister of Pensions have both realized the unfairness of the attitude which was taken, and these cases are covered by the assurance given by the Prime Minister that the pensions would be restored and opportunity afforded for a hearing.

Now I want to ask the minister what opportunity is being given or what is being done with regard to these cases. He partly answered me before the dinner recess, when he said that certain cases were being referred to the Department of Justice. I submit to him that this is not going far enough. With all deference to the Minister of Justice, and I am not reflecting on the Department of Justice in the slightest, it seems to me that the minister, the department, the government and the board will have to go much further than that. Let me put it in this way: There may be cases in which it is impossible to prove the death of a spouse. Insistence may be made on a certificate of death. I hold in my hand a letter written by C. E. Jones for the secretary of the pension commission under date of March 13, which indicates what is being required to-day by the board of pension commissioners with regard to the proof of death:

> With reference to forms recently completed by you with regards to your claim for additional pension on behalf of your dependents. Until such time as you can submit the death certificate of the woman you first married in February, 1912, no additional pension can be paid on behalf of your marriage on the 16th February, 1922.

I submit that this is neither good law nor good policy in connection with these cases, and I do not think the Department of Justice will say that any such evidence is required in order to validate what is alleged to be an existing marriage. Further, there will be cases which I think this house will be called upon to consider, in which a ceremony of marriage has been gone through in absolute good faith; children have been born, families have been raised and the responsibilities of domestic life have been undertaken. Those children have been supported by the man or woman, as the case may be, and the money which has come from the board of pension commissioners on behalf of the dependents has been spent for the purposes for which it was intended. Now, ten or fifteen years later, because they cannot get a death certificate and cannot prove

conclusively the death of a former spouse, the board of pension commissioners proposes to withdraw the pension from that man or that dependent and to suspend the pension which he is getting now until he repays to the board all the money that has been received and spent in support of the wife and children in regard to whom he undertook the responsibility. I submit that this is a class of case with which the house will have to deal, and may I say that it is not in the slightest degree out of line with pension legislation already on the statute book. In the first place illegitimate children are expressly recognized by the Pension Act as children. In the second place, in cases of death, where an absolutely legal marriage cannot be proved, the woman may still be considered to be the man's wife. Where you have people who are living in the community as man and wife and are recognized as such, I believe parliament and the country intended that for the purposes of the act they should be recognized as such.

That is my first point, Mr. Chairman. Then I say a man should not be deprived of the pension to which he is now entitled in order to repay something which he has received honestly and in good faith and which has been devoted to the purposes for which it was intended. That class of case, I submit, cannot be effectively dealt with even by submission to the Department of Justice, because it is quite possible that the Department of Justice may advise that the evidence which is submitted does not prove a legal marriage, and we will still have the difficulty of providing for these cases. I can assure the minister, and no doubt he knows it of his own knowledge, that there are many such cases. I am not going to ask as to the intention of the minister, but has the minister considered amending the act in order to cover these cases?

Mr. GUTHRIE: Before the minister replies I should like to say a word. I understand from what my hon. friend has just stated that, according to the figures before him, there are 232 cases, which we term the marriage cases, in which the validity of a marriage is involved. The figures submitted to my department are greatly in excess of that number. My information is that there are between 550 and 600 of these cases; I think the department has already received more than 200 files as a first instalment.

I fully realize the difficulty which has been so well stated by my hon. friend from Shelburne-Yarmouth (Mr. Ralston), and at the present time I cannot see what advantage is going to result from a reference to the Department of Justice in regard to these cases. At the present moment, through special assistance which we have had to secure, the department is endeavouring to arrange these various cases into categories. I think they will probably fall within seven or eight different categories. There are some cases which I have read over rather hastily which at once present certain difficulties with which we shall be confronted in the majority of these cases. Let me cite one case from British Columbia, where before the war a man and wife were legally married and living together. The woman left her husband, went to Seattle, in the United States, and obtained a divorce from the United States courts. The husband had no domicile in the United States. That divorce was not valid or legal in the Dominion of Canada, but after a few years, just before the war, the husband married again. He thought he had a legal right to marry. He went to the war and became entitled to pension and now, after his death, the question arises as to whether or not he was legally married and whether his children are lawful children or bastards. In my own experience I can recall many marriages, not in military but in civil life, under practically the same circumstances. In all the cases I can recall. not only in Toronto but in Hamilton and Guelph as well, people who have remarried under such conditions have always been considered by their friends in the community as being legally married. Technically I suppose they are not legally married, and if the Department of Justice, on looking into such a case, were bound to give a strict legal opinion, I am afraid we would have to say that the marriage was not valid, or at least that the validity of the marriage was extremely questionable. And if we referred such a case to the court I fear we would secure a decision against the strict validity of the marriage. Both in this country and in Great Britain there is a very strong legal presumption in favour of the validity of marriage; I think perhaps it is one of the strongest of all legal presumptions, and can only be rebutted by positive evidence. Without committing anyone but myself to the views which I now express, I believe that where people have been living together as man and wife the presumption of legal marriage should be allowed to prevail unless there is positive testimony to rebut such a presumption.

Let me cite another case which is of some interest, a case where the parties were married in Canada but subsequently removed to the

state of New York and established legal domicile there. In the courts of New York, the wife sued for and obtained a divorce, but in the decree of the New York courts a condition was imposed upon the husband forbidding him to remarry. The husband came back to Canada, took up his residence again in Canada, and after the lapse of a few years remarried in this country. There is a very strong legal opinion that the condition imposed by the courts of New York had no validity in this country and consequently that his marriage in this country was valid; and so I would hold. But I believe the board of pension commissioners have taken a different view of the husband's second marriage. I could relate from the cases I have so far read many very peculiar circumstances, but in each case which I have read the parties have been living together as man and wife, and have been assumed by the whole community in which they resided to have been legally married. In such circumstances there is a very strong presumption in favour of a legal marriage, and as I said before unless that presumption can be overcome by positive evidence, the marriage should be held to be legal in all respects. I do not see any way of getting around the difficulty without some further amendment to the act. In the meantime the Department of Justice is endeavouring to separate these marriage cases into various categories. But when this has been done and we are ready to submit the cases for the adjudication of the courts if judgment is to be given on strict legal principles, I am satisfied in a great number of cases the courts will pronounce the marriage to be invalid, just as the board of pension commissioners has done. In that way I believe in the vast majority of cases the applicants would not get the relief to which they are entitled.

Mr. RALSTON: Along the lines of what the Minister of Justice (Mr. Guthrie) has said, may I mention an inquiry which was made by the minister and the chairman of the Canadian pension commission, showing how thoroughly the minister is in sympathy with what the Minister of Justice has just said as to some way of expeditiously disposing of these cases. In a return which the minister was good enough to bring down, No. 213, there was a letter under date of January 2 from the minister to the chairman of the Canadian pension commission, in which this question was asked: "In a presumption of death is there any way in which cases can be acted upon more expeditiously?" And the chairman answered, "Not in the opinion of the commission." I understand that the Minister of Justice is expressing his own personal views and is not committing the government. I believe he indicates how anxious he is to have these matters disposed of expeditiously and not to have people dragged through the procedure of having to secure legal opinions or make a case before the Department of Justice or before the courts. I do submit that it must be possible to follow out some such suggestion as that offered by the minister and to evolve some amendment to the act whereby there may be a quick and expeditious disposition of meritorious cases. Those are the only cases with which any of us are concerned. I know that in connection with pension applications, just as in other types of applications, fraud has been practised, and I use that word advisedly. I know it is being used a good deal by people who perhaps have not as much sympathy with this matter of pensions as have the House of Commons and the country in general. But I want to say this about the whole matter of fraud, and the talk of illegitimacy, bigamy, crime, and things of that kind, that I believe the record for honesty of ex-service men in connection with applications can be put up against the record of the general public of Canada with regard to income tax returns or any other returns which have to be made to the government. I think it will be found that the percentage of fraudulent cases is exceedingly small. Going over the cases it would seem to me that about one per cent would be cases in which there has been any attempt to defraud the government or the Canadian pension commission. The point is that none of us has any sympathy with those cases, and they are not the cases for which we are speaking. What we are endeavouring to do is to secure justice for those cases we consider to be meritorious, and the cases which this country intended to benefit when the act was passed. For hon. members on this side of the house I can say that we will join most sincerely and heartily with the Minister of Pensions and the Minister of Justice and the government in endeavouring to work this matter out, because I realize from the answer made by the Prime Minister that the government has every desire to do that.

While I am on my feet may I say this further word: The minister has said with regard to reviews that he will consult the Canadian pension commission and if possible have them carry out this procedure. I realize that the commission is not directly under the minister's jurisdiction, but in some way or

other this government has succeeded in getting the pension commission to act in regard to the matter of these premature reviews. I believe if the government takes the same stand with regard to this matter it, too, can be dealt with.

Mr. GUTHRIE: Delay is causing no inconvenience to the pensioners; they are being paid. It may cause some inconvenience to the treasury, but we are trying to find a solution of the difficulty just as quickly as possible, and particularly in regard to the two questions of presumption of marriage and presumption of death. My own view is that we will have to have legislation to clear up the matter.

Mr. MACKENZIE (Vancouver): I should like to ask a question in regard to the statement made by the Prime Minister on February 13. What method has been adopted by the government to enable them to send out cheques to pensioners whose pensions were suspended?

Mr. GUTHRIE: The pension commissioners and the committee of the cabinet discussed the matter together, and after a discussion the commissioners intimated that under the circumstances they would order the cheques to be sent out and would at once refer the particular cases, namely marriage cases, to the Department of Justice. Pending notice being given to all of the enumerated list of cases, and until final decision was taken, payments would be continued.

Mr. GRAY: Could the Minister of Pensions tell the amount of money which has been sent out since February 13, upon which date the Prime Minister made the announcement of the restoration?

Mr. MacLAREN: I have not that figure, but I can get it.

Mr. GRAY: It seems strange to me—and I need not enlarge upon what has been said by hon. members on both sides of the house—that all down through pensions legislation which we have had since the days of the Ralston commission, all through the various committees which have been set up, in view of what has been indicated by the minister, in view of the correspondence tabled for the hon. member for Shelburne-Yarmouth (Mr. Ralston) in which is shown a sympathetic and sincere desire that these men should be heard and appear for hearing; in view of what has been said by the Minister of Justice, by the hon. member for South Toronto (Mr. Geary) and other hon. members—it is strange that through all these years in which we have been studying pension matters we should be defied by the former chairman of the board of pension commissioners and the present chairman of the Canadian pension commission. And it does seem strange that it should require an ultimatum from the Prime Minister, when the matter was raised in this house by my two colleagues to my left, before any action could come. I do not know where the Prime Minister obtained jurisdiction to give that ultimatum, but he did, and it was effective. It is worthy of note, however, that as late as February 26, thirteen days after the announcement was made by the Prime Minister, the chairman of the Canadian pension commission was going blithely on as he had been doing since January, 1933, giving statements to the minister in preparation for this bluebook showing the men who had been cut off the list, and as late as February 26 we have four statements wherein the reason given is "legality of marriage not established." Notwithstanding what had been brought to the attention of the house by my two colleagues, and notwithstanding what had been stated by the Prime Minister, the chairman of the commission goes blithely on his way as he had done previously without regard for what had been done, reporting to the minister that in preparation of the bluebook he had these three further cases, although I am quite satisfied that what was said by the Prime Minister was known throughout the length and breadth of this country immediately after the Prime Minister made his announcement. Reading this file from beginning to end you will find, instead of a sincere desire to see justice done to these men, as the minister wished, that his recommendations have been entirely ignored by the chairman of the old board, and indeed by the chairman of the Canadian pension commission. If you will read the file you will see that the minister would write to the chairman say on the first of the month, and he would be lucky if he received a reply by the end of the month, if at all, and then it might be from some official of the department. In the meantime each week he would report to the minister the number of cases that he had succeeded in cutting off, whether on the ground of illegality of marriage, bigamy or something else. I protest, Mr. Chairman, and will do so more vigorously when we come to consider the personnel of the Canadian pension commission, but I say quite frankly here and now that if the chairman of the Canadian pension commission is not prepared to follow the will of

parliament as submitted through the members representing the various constituencies and passed on through the Minister of Pensions, who is responsible to the country, then the sooner the minister sees that that gentleman is removed the better it will be for this country as a whole.

Mr. SUTHERLAND: I would like to say a word or two along a certain line that I have not yet heard touched upon concerning what seems to me the crucial point in the case of these married people who had pensions cut off, and that is that evidence was given sufficient to satisfy the board of pension commissioners in many cases many years ago that the marriage was legal. I have a case, and I think nearly every member of parliament has one or more similar cases from his own neighbourhood, in which the point at issue was this: The couple were married in 1919. The husband and his wife considered that they had proof that the former husband of the woman had died. They were married and their certificate of marriage was accepted by the old board of pension commissioners as proof positive. Now if the board at that time had raised the question of the legality of the marriage it seems to me that a number of these difficulties would have been solved at that time and would not now be arising. In the case I speak of a form was sent out last year asking for the death certificate of the wife's former husband. The parties endeavoured to get that and found out that the man had not been dead at the time they married, as they thought he was. He did not die until 1929. The case again came before the commission; the pension was withheld, and recovery commenced. In this particular case these people remarried immediately to regularize the thing. But if the old board had asked for the death certificate in the first place the case would never have come up. These people could have been legally married in 1929 and the wife would then have been entitled to her allowance, but having gone beyond the first of May of this year they are not legally entitled to it. That is a case in point where evidence was given of the marriage which was accepted as satisfactory at the time.

Mr. MACKENZIE (Vancouver): I wish to congratulate the Minister of Justice (Mr. Guthrie) on the stand he has taken with regard to the legal position in respect to these cases, and I should also like to put on Hansard a memorandum that was submitted by the present president of the Canadian legion, a judge of one of our courts in Saskatchewan, in reference to these cases:

It is a well recognized principle of English law that when a marriage is alleged and it is proved that the parties went through a form of marriage and thereafter lived together as man and wife and were by general repute regarded as man and wife this constitutes not an irrebuttable presumption but a presumption rebuttable only by the most conclusive evidence of the validity of marriage.

In the case of Morris vs. Davies, 7 English Reports, page 365, Lord Lindhurst, at page 404, speaking of this presumption said, "that presumption of law is not lightly to be repelled, it is not to be broken in upon or shaken by a mere balance of probability, the evidence for the purpose of repelling it must be strong, distinct, satisfactory and conclusive." Then in a leading case on the subject, Piers vs. Piers, 9 English Reports, page 1118, the Lord Chancellor, page 1129, expressly approved of the law as stated by Lord Lindhurst. There the fact of the ceremony was not in doubt but no evidence was available to prove that the special licence required by law and necessary to the validity of the marriage had been secured, nevertheless the House of Lords held that the onus was upon the parties seeking to attack the validity of the marriage and upheld the rights of the parties claiming thereunder. To the same effect is the judgment of the privy council in the case of Aronegary Vaigalie, 6 A.C., 364. Once this presumption arises the onus is upon those who seek to attack the validity of the marriage. Goodman vs. Goodman, 28 L.J. ch. 745; Haviland vs. Mortiboy, 32 L.T.O.S., 343; Harrod vs. Harrod, 69 English Reports, 344; Homanuke vs. Homanuke, 13 Saskatchewan L.R. 186, and Hedge vs. Morrow, 20 D.L.R., 561.

This by no means exhausts the law on the subject but it is sufficient to show that the commission are proceeding upon the wrong principle. If the pensioner is apparently legally married the commission have no power according to English law to require him to prove the legality of the marriage other than the fact of its existence. If they question its validity on the ground of incapacity of either party or for any other irregularity the onus should be upon the commission to establish that fact and to ask a man to go back twenty years and establish the death of a previous wife is to my mind absurd.

I think that entirely endorses the stand taken this evening by the Minister of Justice, and again I wish to congratulate him on his statement with regard to the merits of these cases.

I also wish to endorse what has been said by my colleague the hon. member for West Lambton (Mr. Gray), and also what has been said by the hon. member for Shelburne-Yarmouth (Mr. Ralston) and by the Minister of Pensions (Mr. MacLaren). I wish to congratulate the minister upon the stand he has taken. For the last four months the minister has been endeavouring to obtain some results

in connection with the arbitrary action taken by the chairman of the old pension board, the present chairman of the Canadian pension commission, in regard to these marriage cases. I wish also to endorse what has been said by the hon. member for West Lambton in regard to what I would call a callous disregard of the minister's requests for information, evidenced in this correspondence. There are on this file some letters that have never been answered by the present chairman of the Canadian pension commission, and there are other letters on the file answered by supplying further additions to the list he was going to give, while there are others answered by members of the board of pension commissioners and other officials of the board.

I thank the minister for the stand he has taken in the last three or four months with a view to having justice done in this matter, and I think the cabinet should be congratulated on the peaceful persuasion which they have exercised on the present commission in securing the dispatch of cheques to pensioners whose pensions were cancelled or suspended. I trust that, in the interests of the cause which everyone in this house has at heart, that same peaceful persuasion will be carried still further and that the present chairman will be removed from jurisdiction inasmuch as he has lost the confidence of ex-service men throughout Canada.

Mr. MacLAREN: I think I can explain the difference in the figures as between those quoted by the hon. member for Shelburne-Yarmouth and those quoted by the Minister of Justice. As regards marriages, the figures quoted by the hon. member for Shelburne-Yarmouth were from January, 1933—

Mr. RALSTON: From January 1, 1933, to September 30, 1933, and I also included the figures from October 1 to December 31, 1933.

Mr. MacLAREN: Considerably larger figures were given by the Minister of Justice, and the explanation is that his figures went further back than January 1.

Mr. RALSTON: There are two letters which I think we should have on the record. There is, first, a letter from the minister dated January 2, 1934, to the chairman of the Canadian pension commission. In this, the committee will observe that the minister is asking for information with regard to the procedure followed by the pension commission and also for information in connection with these cases. This is the letter:

The Chairman,
Canadian Pension Commission,
Ottawa, Ontario.

Your memorandum of the 28th of December, in reply to my memorandum of the 18th, regarding suspension or reduction in payment of pensions, will be quite helpful, I believe, in avoiding hardships and lessening criticism.

There are several important points on which I shall be pleased to be informed. Many of them are matters which might go a long way towards meeting complaints.

1. Regarding your paragraph 1 (a), is the affidavit of a pensioner regarding his marriage acted upon as such, or is he given an opportunity of appearing before a quorum before action is taken?

2. What will be the procedure followed in those cases where a man has not been given an opportunity of a hearing before a quorum before a decision was reached?

3. In the case of those applicants who have not had an opportunity of a hearing and whose payments of pensions have been reduced, what can be done to meet this situation in whole or part until there has been an opportunity of a hearing before a quorum?

4. Regarding 2 (a), in cases where there has already been a reduction in payment of pension, there have been numbers of cases where the present policy does not seem to have been previously acted on. Can this class of case be dealt with? There will probably be a considerable interval between the time at which the payment was reduced and a hearing before the quorum. Is it feasible to reinstate these cases or deal with them in any suitable way? I am attaching a few cases which seem to be examples of this.

5. In presumption of death, is there any way in which the cases can be acted upon more expeditiously?

6. There are representations with reference to this class of men. A man was enlisted, went overseas, stated he was married, drew separation allowance, on discharge was pensioned, with allowance for his wife. After years, it is found that there was an irregularity in the marriage. Can anything be done to avoid the present hardship and difficulties arising from the allowance of the wife and children being discontinued and a reduction made in the payment of the man's pension?

Murray MacLaren,
Minister.

On the same date the following reply was dispatched:

Memorandum to:—
The Honourable the Minister,
Department of Pensions and National Health.

I would refer to your memorandum of the 2nd instant and the various paragraphs therein.

Your memorandum assumes that the man is entitled to appear before the commission before any suspension of pension is made. I would point out that a man is only entitled to a hearing before a quorum before his pension is cancelled or reduced on the ground that the basis of entitlement is changed. This applies

only to his basic pension, it does not in any way apply to allowances. He may ask for a hearing as any pensioner may who complains about his assessment; and I would point out that with regard to assessment, the assessment remains reduced or discontinued unless or until the man establishes his right to a higher rate.

1. The affidavit is acted upon.

2. The pensioner is not entitled to a hearing; the pension is suspended after a reasonable opportunity has been given the man to establish that his marriage is legal.

Quite the reverse of what the Minister of Justice suggests should be the basis of procedure.

3. My memorandum of the 28th December sets out the situation. The pensioner is not entitled to a hearing.

I do not see on the file the memoradum of December 28. Perhaps the minister will make a note of that and send it to me.

4. The statute does not provide for any hearing before a quorum. It is not feasible to reinstate these cases.

It has been found possible since the matter has been taken hold of, and I understand they have been re-instated under the present arrangement.

5. Not in the opinion of the commission.

6. Not in the opinion of the commission, except as set out in my memorandum of the 28th December concurred in by the whole commission.

J. Thompson,
Chairman.

In regard to this letter, I would point out that it was written when there was on the statute book an act which expressly provided, in section 5, that the commission should be charged with the duty of considering and adjudicating upon all questions relating to award, increase, decrease, suspension or cancellation of any pension, or the recovery of overpayment made. Now, the first principle of adjudication, as I think everyone will agree, for it does not require a lawyer to perceive this, is that there should be a hearing for the person whose case is being adjudicated; yet it is categorically stated by the chairman of the board, "You are not entitled to any hearing." In other words, the attitude is this: The pension may be granted, but by reason of the fact that we happen to be in a position where we can say that you have not proved that your former spouse is dead, inasmuch as you have no legal evidence of death and do not produce a death certificate, we will hold your pension and recover the amount already paid on account of your present spouse or your children.

I submit that the correspondence shows an attitude of mind which is absolutely repugnant to the whole spirit of the act. I know that it is difficult for a man who occupies a judicial position to go outside the statute; but there has never been a time in the history of this country, and I do not believe that that time will ever come, when a chairman of the board of pension commissioners could not come to the government in power, whatever government that might be, and say, "We find that an anomaly exists and there are hardships resulting therefrom. We cannot believe that parliament intended this, and we should like to have your assurance that if the pension is granted the government will pass an act validating the payment." I should be disappointed in any government in this country that would not give such an assurance. The board of pension commissioners was in that position, not in the position of a judge far removed from parliament, but in close touch with parliament; and it seems to me that this is a procedure that would commend itself to the public at large. Moreover, it is a procedure which is just to those for whom we are legislating at the present time.

Mr. MacLAREN: May I direct the attention of the committee to this fact, which I do not think has been mentioned, namely, that the auditor general and his staff have been inspecting the files for some considerable time and have drawn the attention of the pension commission and, I believe, of the pension board to certain things which they thought were incorrect, and I believe this has had a very considerable influence on the commission in the direction of an effort to meet the views and criticisms of the auditor general's staff.

Mr. MACKENZIE (Vancouver): Is it not a fact that every pensioner who is called before the board is required to bring a marriage certificate, birth certificates of children, and divorce certificate, if any? I understand a good deal of resentment has been caused recently among people who have been called before the board.

Mr. MacLAREN:: All I know is that pensioners are supplied with a form which they are asked to fill in and on which are certain questions about marriage, previous marriage, and an affidavit at the foot of the form. That is all that occurs to me at the present time.

Mr. GRAY:: Is that practice still continuing, in spite of what has been said?

Mr. MacLAREN: I think so.

Mr. GRAY: Is there any necessity then for those men to be given a hearing?

Mr. MacLAREN: They are asked to make an affidavit that the statement is correct, and I see no objection to that; but I do not think it is sufficient to end the inquiry there. That is all.

Mr. RALSTON: In that connection, in the last return from which I read there is a document mentioned called a life certificate. Will the minister tell me what that is? Evidently the Canadian pension commission are issuing a certificate called a life certificate.

Mr. MacLAREN: It is an annual statement that each pensioner is asked to make that he continues to support his wife and children and that there is no material change in his condition.

Mr. GRAY: If no other member wishes to discuss the marriage phase of the question I should like to ask the minister some questions as to the formation of the personnel of the Canadian pension commission. But before doing so, I should like here and now to place myself on record, as I have done in the past, as paying tribute to the ex-members of the tribunal which was established in 1930 and which disappeared on October 1, 1933. I think it is the experience of all members, certainly of ex-service men, that in their appearance before the tribunal, they received a fair consideration of their cases. Not always did the pension tribunal agree with them, but in any event I believe they came away satisfied that they had had a fair hearing, and although I may be condemned—perhaps I may condemn myself for not having voiced my opinion more strongly last year when the amendment was introduced—I for one felt and still feel that the pension tribunal should have been given a further opportunity under the act as passed in 1930. I feel sure that if we as a parliament had taken a decided stand with respect to those appeals that were made by the pension commission, a great deal of the difficulty in which we find ourselves to-night would have been eliminated. But the committee of last year in its wisdom saw fit to make the amendment which came into force on October 1 of that year.

I now propose to ask the minister some questions with respect to the personnel of the Canadian pension commission, and in particular with respect to what became of the old tribunal. I want to ask him first: Of the eight members of the Canadian pension commission that has been established how many of the old pension tribunal were taken in and appointed as part of that commission?

[Mr. Gray.]

Mr. MacLAREN: There is one who had previously served on the tribunal.

Mr. GRAY: Sir Richard Turner?

Mr. MacLAREN: Yes.

Mr. GRAY: I would like to know what became of the substaff, that is the under officers and staff of the tribunal, and how many of them were taken over by the Canadian pension commission.

Mr. MacLAREN: Many of them have been absorbed.

Mr. GRAY: I am not concerned with how many were absorbed in other departments. How many were taken over by the Canadian pension commission?

Mr. MacLAREN: As regards the substaff?

Mr. GRAY: Yes.

Mr. MacLAREN: I am afraid I have not the figures for the personnel. For instance, there were registrars and various officers part of whom have been absorbed in the present commission, because it is larger than it was before and is doing more work than it used to do. It has therefore absorbed a considerable number of them, while the services of others were discontinued, but I have not the figures.

Mr. GRAY: I know the minister will be glad to give the committee, first, the number that were absorbed by the new Canadian pension commission; second, the number that were absorbed in other departments of the government, and, third, the number that were let out altogether.

Mr. MacLAREN: I shall be pleased to get that information.

Mr. GRAY: I should like to know what compensation, if any, was given or what arrangements for compensation were made as regards the old tribunal officers.

Mr. MacLAREN: That matter has not been definitely settled. I believe I can say that provision will be made in the estimates this session.

Mr. MACKENZIE (Vancouver): Will that apply to the personnel of the old federal appeal board as well?

Mr. MacLAREN: I am speaking personally now, but I am speaking with some confidence, in saying that the estimates will contain provision for both the federal appeal board and the members of the tribunal. As

a matter of fact I made an announcement in the press, I think in September last year, intimating that this matter was being favourably considered by the government.

Mr. GRAY: Before I deal with any criticism that I may offer in connection with the personnel, may I follow up a conclusion on that particular point by asking what was the name of the reviewing officer appointed under the amendment to the Pension Act?

Mr. MacLAREN: Doctor Shields.

Mr. GRAY: What had he been employed at prior to his appointment as reviewing officer?

Mr. MacLAREN: Doctor Shields was a medical adviser to the board of pension commissioners from September 1, 1916, until his appointment last year as reviewing officer.

Mr. GRAY: How many cases has he reviewed since then?

Mr. MacLAREN: Eighty-seven.

Mr. GRAY: In how many of those has the minister advised an appeal?

Mr. MacLAREN: Ten cases have been appealed by the reviewing officer.

Mr. GRAY: I think if we had had some of that consideration on the part of the old pension tribunal, if the percentage had been more like that, we would not have had so much difficulty.

I wish now to go back to the personnel of the Canadian pension commission. It has been stated that one only of the members of the old tribunal was absorbed into that commission, namely Sir Richard Turner, V.C. Although it may be well known, I should like to have placed on record by the minister the names of the other seven commissioners, and the positions they occupied prior to their appointment to the new commission.

Mr. MacLAREN: First there is the chairman, Colonel John Thompson, who had been chairman of the pension board since I think 1920 or thereabouts, and was reappointed some years ago. Then there are Doctor Ellis, for a number of years formerly of the pension board—I am sorry I have not the exact dates; Doctor Kee, who was for many years the chief medical adviser of the board; Doctor Gray, who had been a member of the pension board for one or two years, and who had formerly been a medical representative for a number of years both in Calgary and in Vancouver; Sir Richard Turner, who had been a member of the pension tribunal for three years; Doctor Lionel Robert, who was a medical officer with the Department of Justice from 1921 to November, 1929, when he was appointed a medical examiner at Montreal to the board of pension commissioners; Mr. Conn, who for some years was a commission counsel in Toronto; Mr. Stephen Jones, who was a departmental agent. He served overseas in an infantry regiment and subsequently in the Canadian army medical corps.

Mr. GRAY: Would the minister explain what he means by a departmental agent?

Mr. MacLAREN: I do not know exactly what it means. I thought it was more or less a technical term.

Mr. GRAY: I thank the minister for the information he has given. It illustrates what has been said already, not only in this house but throughout the country, by the returned men, that after some fifteen years of struggle to have this matter dealt with fairly and with due regard to the interests of the soldiers, after having had it investigated by royal commissions and parliamentary committees, largely upon the complaints of the returned men as to the operation of the board of pension commissioners, they have been delivered back, as I think the past president of the Canadian legion expressed it, into the bondage of that commission. I dwell on this at the risk of wearying the committee, although the matter is so important that I do not think that we should pass over it lightly, especially in view of the fact that the Minister of Justice (Mr. Guthrie) has suggested that there might even yet be brought down this session amending legislation with respect to another matter, so that perhaps something could still be done with respect to this one, which surely must have been brought to the minister's attention.

It has been said in the house—I heard it said to-night—that the committee of last year, certainly members on this side who have spoken, felt that in the creation of the new Canadian pension commission there would be what has been termed a merger of the board and the tribunals. Bearing out what has been said by the hon. member for Vancouver Centre (Mr. Mackenzie) and others, I would like to place on record what was said by the past president of the Canadian legion, Major Roper, at its recent session in Ottawa on March 12 to 15, 1934. I propose to quote only parts of his speech, but it is important that the house and the country should know the feeling of the Canadian

Legion as interpreted by the past president and heartily endorsed by the legion at the closing session of that convention. He said:

It was our distinct understanding, and, I am convinced, the understanding of all members of the committee, that the principle of merger between the tribunal and the pension board would be followed and, in fact, it was for the purpose of placing tribunal members on an equal status with the members of the old board that equal tenure of office for all was decided upon;—

They were to be appointed for a term of seven years, and I ask the minister to note that they were all to be on an equal status.

—and it was for the purpose of providing for the retention of a substantial number of tribunal members that the number of commissioners was increased to provide for a maximum of twelve.

Then, turning to the appointments to the commission, Major Roper had this to say:

I now turn to the matter of the appointments to the new commission, which took place at the end of September, 1933, effective, as provided by statute, on October the 1st, 1933. I must make it clear, and it will be admitted by the authorities, that no effort in any way, shape or form was made by the legion to influence these appointments. We relied implicitly on the understanding reached at the parliamentary committee, to the effect that the principle of merger between the tribunal and the pension board would govern the appointments, and we relied upon the authorities to make the best selection from each body. We had let it be known that in our judgment the amount of work in sight would require the appointment of the maximum number provided for, namely, twelve commissioners.

It was with the utmost astonishment and I say frankly, dismay, that we learned from the press that of the eight members appointed to the new commission (the minimum provided for), five were of the old board of pension commissioners and its staff; one was a former commission counsel; another was a newcomer to pension administration; and one member and one only had been a member of the former pension tribunal, namely one of our dominion honorary presidents, General Sir Richard Turner, V.C. Not only had the principle of merger, agreed upon with the parliamentary committee, not been carried out, but of even greater significance to ex-service men, the new commission had been placed almost entirely under the domination of the old pension board.

This action, coming immediately on top of the other disturbing happenings to which I have referred, brought about a state of mind throughout the entire legion and amongst ex-service men generally that I can only describe as chaotic. The soldier felt that here was proof of what he had already begun seriously to suspect, namely, that powerful influences were using all the means in their power to his detriment. The immediate reaction was one of intense resentment, accompanied by strong evidence of lack of confidence in legion officers, the first and perhaps natural conclusion being that these appointments would not have been made without the concurrence of legion officers. I am thankful that we were fully able to dispel this impression; but in the meantime the legion became seriously threatened with nation-wide disruption. Fuel was added to the flames by the announcement of the appointment of the chief reviewing officer, as provided under the act, the appointee being another member of the staff of the old pension board, making a total of seven out of nine. Storms of protest from coast to coast rolled in upon dominion headquarters. Explanations were of no avail, or at least could give little satisfaction. I, as your dominion president, sensing that the very existence of the legion was in grave jeopardy, after consultation with available dominion officers, and in accordance with a resolution passed by dominion executive council in January, 1933, decided to announce the holding of a dominion convention, to take place early in 1934. British Columbia, to whom the next convention had been pledged, unselfishly relinquished its claim, in order that the convention might meet in Ottawa, the seat of government and it is to deal with these issues we are here to-day.

Further he said:

At this point let me say that upon the appointments being announced, feeling that it was my duty to make a public statement, I ventured the opinion that the appointments would not prove satisfactory to ex-service men, a statement which I thought mild and conservative, and I asked that the new commission should be given a fair trial before being judged adversely. Later, when the appointment of the reviewing officer was announced, I stated further that this but completed the delivery of ex-service men into the bondage of the pension board.

While we on this side of the house always have been kindly disposed towards the minister, and have appreciated his work with regard to ex-soldiers, at this time I cannot help but express my keen disappointment in the appointments that have been made. I feel that the minister himself, upon whom the responsibility must be placed, has failed the ex-service men in this regard. I hope there may still be some way out, but in the meantime I say without hesitation that the minister, knowing as he must have known what had been the cause of trouble from the time a commission was first established, appointed the old commission with the exception of two men, and, as Major Roper has said, and I think rightly, the soldiers were sold back into the bondage of the old pension board.

Mr. McGIBBON: Mr. Chairman, I regret very much that the hon. member made the speech to which we have just listened. There were many members of this parliament looking after the interests of the soldiers before the hon. gentleman who has just resumed his seat became a member of this house, and I am convinced that after we have all

departed there will be gentlemen here quite capable of looking after them and anxious to do so. No matter what may be the hon. member's opinion of the persons who were appointed to these positions, I think it is most unfair to prejudge them and their work and make inflammatory speeches of this kind before we know what kind of service they are going to give. I say frankly that in my opinion such speeches will not result in any benefit to the returned soldiers. I have been on many committees and commissions dealing with this question, but I never heard such an inflammatory speech delivered in this house.

The hon. gentleman quoted Major Roper, who made a speech which to my mind he should not have made. It is nothing but common justice to allow these courts to function so that we may see what kind of service they will give. If they are not fair in their work, parliament is big enough, and I think independent enough, to make the necessary changes. We have done so before, and I have no doubt we will do so again. The personnel of these different commissions has changed greatly in the last twelve or thirteen years. At one time we had only the board of pension commissioners. Their work became very unsatisfactory, and I am sure I am correct when I say that the first suggestion of an appeal court was made by the late Mr. Hume Cronyn, at one time a member of this house from the city of London. For quite a long time that suggestion was opposed, but finally it was adopted. The change did not prove as satisfactory as had been expected by hon. members of the house. Matters went on for some years and the courts became clogged with cases. Those who took an interest in this work at that time will remember that the board had to try to make decisions not after a study of weeks, days, hours, or even minutes; the pressure of work was so great that they had to decide cases practically in seconds. They could not do the impossible.

Then came the tribunals. That legislation was drawn up originally by the soldiers themselves at a convention held in Regina, but it was not so presented to this house. It was presented to the house as a partisan measure, and hon. gentlemen tried to capitalize on it not only in the house but in the country as well. That change was adopted by the house. It was adopted also in the committee, but not without some objection, because I for one had grave misgivings as to its workability. We adopted it, however, because of the fact that it was what the soldiers wanted. It did not go as far as I thought it should go, and when my hon. friend's leader was in power I had the distinction of being the only person to whose private resolution closure was applied. Closure was applied to a resolution that I brought in reversing the onus of proof. It never even got to a vote; closure was put on and it was sent to the committee. So far as I could judge, the personnel of the tribunals was satisfactory to the returned soldiers. Personally I was disappointed, and I think it was a mistake, that more of them were not reappointed, not because others could not do the work, but because at last we had found a tribunal in which the soldiers had confidence. I think all hon. members will agree that the machinery had become hopelessly clogged. A couple of years ago I made some remarks in this connection and I believe at that time in one court or another there were about 30,000 cases waiting to be heard. The clogging of that machinery led to an overhauling of it. I always thought the government made a mistake when the commission was appointed; I think all governments make mistakes when they place such matters outside their own power. Half were appointed by the returned soldiers and the other half by the staff of the department. It is a mistake for any government to put itself into the hands of a committee over which they have no control. When you put responsibility upon anybody you must also give him power; that goes without saying. The machinery was overloaded, and for the present we have another system of courts.

Whether we like it or not, I think in the last analysis we must admit that the government is responsible and that it must take the responsibility for the personnel appointed. Whether they have made a mistake or not I cannot say, nor do I think anybody else can; but I think it is only fair to these men that at least they should have reasonable time within which to prove their adaptability and their ability to handle matters placed before them. I have said before, the worst thing which could happen returned soldiers in this country is to have their case get into politics. If it were made a political question the country would be split in two, with half the people on one side and the other half on the other.

Returned soldiers can go only so far and get only such elements of justice as public opinion in Canada will support. I say to them to-night, as I have said to them before, that they should keep their demands within reasonable bounds of justice, because I am certain that parliament has always been willing to grant such demands. The country has taken the same position. But in the course of

time conditions must be modified, and, as I have stated to returned soldiers, there is to-day a large army of young men and women about twenty-eight, thirty or thirty-two years of age who were not old enough to go to war; if they were only fifteen years of age when the war ended they are over thirty to-day. By act of parliament those people are to a large extent debarred from entering the service of their country, and the time is coming when, to my mind, we may have to recognize that fact. We cannot blame these young men and women for not participating in the great war when, as a matter of fact, during the period of the war they were mere children or young people in their teens. Neither can we forever keep them debarred from the service of their country. Everybody knows that when there is a vacancy in the public service and a returned soldier is available who can show that he has the minimum legal qualifications, he automatically is given preference over seventy-five or a hundred others who are debarred, not through lack of service or ability, but because in a time of distress they were not old enough to serve their country.

I believe we should give the courts time to prove what they can do; we should not damn them before they begin their work. As I have said, I would have been much better pleased if more of the tribunal members had been reappointed. When they deserted their callings and accepted positions on tribunals in the expectation that they would have a reasonable tenure of office of eight or ten years, it was hardly fair to cut them off with a service of two or three years. But at the same time we should be big enough and fair enough to give the new appointees time to prove whether or not they can dispense that element of justice which the people of Canada are willing and anxious should be given to returned men.

I must say I am disappointed that the hon. member for West Lambton (Mr. Gray) has on this occasion spoken as he did. I was disappointed when Major Roper, standing at the head of the legion, made the inflammatory speech with which he is credited. A year hence such statements might have been all right, or might not; certainly in my opinion this was not the proper time to make them. Criticisms of that kind are detrimental to the interests of returned men, and that is practically all I am interested in. I believe that the people who went to France, placed their lives upon the altar of their country and came back to Canada crippled in body or in mind, have a right to recompense. I draw the attention of hon. members to the fact that the law of Canada does not give a man anything as a pension for service. It never did give anything for that, and it is for that reason I have always opposed making deductions from pensioners. The law is such that if a man went overseas and came back minus an arm the country says to him, "We will give you in money what we believe to be equivalent to your physical loss brought about through service to your country," To those who contracted tubercular trouble while on service the same applies. For that reason I believe those people stand on a basis different from that of others who are drawing pensions or pay from the government of Canada. I believe their interests can be left to the care of hon. members from all sections of the house, and if the courts which are now dealing with the matter fail in their task, there are members in this House of Commons independent enough to see to it that legislation is brought in which will restore to the people affected any right which they have been denied.

Mr. RALSTON: I do not think the hon. member for Muskoka-Ontario (Mr. McGibbon) was altogether fair to the hon. member for West Lambton (Mr. Gray). I am sure it must be a matter of some satisfaction to the hon. member for West Lambton to hear the sentiments which he expressed stated, possibly in milder tones, but, knowing the earnestness of the disposition of the hon. member for Muskoka-Ontario, I would take it that he was just as sincere as was the hon. member for West Lambton, but the hon. member for Muskoka-Ontario, I am sorry to say, is the first one to have interjected partisanship into this discussion.

Some hon. MEMBERS: No, no.

Mr. RALSTON: I am in the judgment of the committee. We have been getting along pretty well in connection with this subject, and his was the first suggestion I have heard of partisanship. I do want to say this, Mr. Chairman, in support of what has been said in regard to the old tribunal. Like my hon. friends I was very much disappointed that the services of the members of the old tribunal were not availed of for appointment to the new commission. Nobody has suggested that it was because of political reasons. It seems to me that it would have been well to take into the service those who had had experience in the field in connection with that work.

There is a feeling abroad, and this is the impression that I rose to correct, that the tribunals were too favourable to the soldiers.

In that connection I want to refer to a letter that was written by Mr. Scammell, the secretary of the department, on January 10, 1934, giving figures with regard to the work done by the tribunals. I want to indicate from these figures that the tribunals certainly could not be charged with being unduly favourable to the ex-service men, and on the other hand it will be found that their judgment has been well upheld by the appeal court. Let me give the figures.

Out of a total number of 10,438 cases dealt with by the tribunals, 6,593 were decided unfavourably to the soldier and 3,845 favourably to the soldier. Of these 3,845 decisions favourable to the applicant, 899 were not appealed. That left 2,946 as the total number of tribunal decisions favourable to the applicant appealed by commission counsel. Of these, 488 had not been heard by the appeal court on January 10, 1934. I deduct those, and it leaves 2,458 cases heard by the appeal court, and in 906 of these cases the tribunals' decisions were upheld; 342 cases were remitted for rehearing, and in the remainder of the cases the decisions were reversed.

Here is the summary: Tribunal cases decided in favour of the applicant, 3,845; appealed to but not heard by the appeal court, 488; leaving 3,357 cases, and of that 3,357, 342 cases were sent back for rehearing, leaving 3,015 cases actually disposed of by the appeal court or not appealed from. The net result of those 3,015 cases which the tribunal decided favourably to the applicant is that 899 cases were not appealed, and in 906 cases in which an appeal was made the tribunal's decision was upheld. So that in 1,805 out of 3,015 cases, or an average of over 60 per cent, the decisions of the tribunal in favour of the applicant stood. I think that those figures should be put on record in justice to the tribunal and for the benefit of those—there are not so many of them in the house—in the country who feel that the tribunals decided too favourably to the soldiers. In the first place they decided 6,500 out of 10,400 cases against the soldier, and of the 3,105 cases that they decided favourably to the soldier 1,805 were upheld by the appeal court or were not appealed from. So it seems to me that there is some justification for the feeling that it would have been advisable to appoint some of the tribunal to the new pension commission. Of course we are going to accept the suggestion of my hon. friend from Muskoka-Ontario that the new men be given a chance to make good. But it is going to be somewhat difficult for them, no doubt, on account of their lack of experience in dealing with cases in direct contact with the applicants throughout the country.

One thing more in regard to what my hon. friend from Muskoka-Ontario has said. He said that the tribunal system worked badly because it was too much clogged. I have never felt that the tribunal system should be blamed for that, because there was one thing that clogged it, and that was an act of this parliament which provided that there should be an automatic reference to the tribunal of every case decided unfavourably to the soldier, with the result that the tribunal got piled up with cases put on their doorstep by statute. We amended the act a year ago and provided that those cases should not go from the board to the tribunal unless the applicant expressly asked for it, with the result that a different situation exists to-day. Both the tribunal and the pensions advocates, did remarkably well to clean up as many as 10,000 cases which were dealt with by the tribunal, in view of the immense accumulation of work ahead of them. They were new men with a lot to learn, but they did their work expeditiously and well, and they should not be blamed for the damming back of cases with which they were flooded. The new commission will not have that situation to meet, because the soldier himself must say whether or not he wants his case to be proceeded with further.

I do not know that I have anything to add except to pay a tribute, as I think tributes should be paid—and not too many have been paid—to the work of the tribunals which certainly laid the ground for confidence among the soldiers from the fact that they had an opportunity to meet in person the men who were going to decide their cases. I think that that did a lot to allay the discontent and dissatisfaction which existed when men simply made a report to a medical examiner, saw their papers sent away, and in two or three or four weeks the soldier got an adverse decision without a chance to tell his story. The tribunal system was in advance of the system of deciding cases without meeting the applicant face to face, and the present commission will continue this idea, which is germane and fundamental to any humane and satisfactory administration of pension matters, by travelling around the country hearing cases in the field.

Mr. MACKENZIE (Vancouver): I wish to bring to the attention of the minister a letter that I received from one of the commissioners dealing with the interpretation of

section 12 of the Pension Act. I shall not place the name on Hansard, but I will read the second part of the letter:

This man died from aortic aneurysm, the result of specific infection. The initial infection, according to his military documents, was incurred prior to his enlistment, but the resulting condition was aggravated during his service, and as he had service in France, under section 12 of the Pension Act he received during his lifetime pension for aggravation at the amount of his total disability.

He died in February, 1932, following which the relationship of his death to his military service was considered by the commissioners, and in accordance with an interpretation of section 12 of the Pension Act handed down by the Justice department, the commissioners ruled that the man's death had been caused by the aggravation during his service. The dependent widow was accordingly awarded pension.

In June, 1933, however, the pension appeal court gave a ruling regarding the interpretation of section 12, namely, that no pension could be awarded to the dependents of ex-soldiers who had died from specific infection, whether incurred prior to enlistment and aggravated during service, or incurred during service, and accordingly the pensions of all widows and dependents in cases of death from preenlistment specific infection were discontinued. In this particular case the discontinuance of pension was effective from October, 1933.

In view of this interpretation of section 12 of the Pension Act by the pension appeal court, the commissioners had no alternative but to take the action which was taken in this case, namely to discontinue this widow's pension.

I presume the action taken by the appeal court in that case was under the powers given to them by this house in section 65 of the act of last year, subsection (c), by which they have power in regard to "any question of interpretation of this act which may be referred by the crown or, by leave of the court, submitted by any applicant; and the procedure on such reference shall be as prescribed by the court."

I also recall that the royal commission of 1923, in regard to section 12, made a very strong and specific recommendation, that the discretion to award pensions should be exercised with regard to dependents, even where misconduct was on service. And this is a case, like many others, of pre-enlistment misconduct, widows being deprived of pension so many years after the war, notwithstanding that the royal commission recommended the exercise of discretion, and the Department of Justice having construed section 12 of the act as containing that discretion. This being so, it is unfortunate that the appeal court in their wisdom should have interpreted section 12 as they have done, thereby bringing about the cessation of many pensions, without the pensioners concerned knowing the exact cause of such cessation.

Mr. MacLAREN: I understand that one of the class of cases referred to by the hon. member for Vancouver Centre (Mr. Mackenzie) is now coming before the appeal court again, and the matter has not been lost sight of by any means. At the present time it is more or less under review.

I have found the information asked for by the hon. member for West Lambton (Mr. Gray). He is not in the chamber, but the information will be taken down and he will see it in Hansard. The question was with reference to the distribution of staff under the 1933 amendments to the act, so far as the pension tribunal is concerned. There were retained by the Department of Pensions and National Health 20 permanent officials and substaff; there were retained by the Canadian pension commission 20 permanent and 9 temporary; transferred to the Department of Finance, 3 permanent; retired by the Canadian pension commission, 19 permanent and 2 temporary. This makes a total of 62 permanent and 11 temporary.

Now I would say a word about the personnel of the pension commission. As I have already said in the house, I knew of no such arrangement as was given out by the previous president of the legion; I had no knowledge of it and have no knowledge of it now. And that has been so with two members of the commission who happened to mention it to me. I do not know how the misapprehension came about; all I know is that so far as I am concerned, I had no knowledge of it.

As regards the appointment, I am quite aware that there has been much criticism over the appointment of the personnel, although I must say I did not anticipate the amount of criticism that has occurred. This can be said of the personnel of the commission, that on the whole, and as regards a very large percentage of them, they are greatly experienced men in pension matters. We could hardly have selected as members of the commission men who had had more experience in matters of pension. I can say this as well, that they are most industrious; and as regards the number of cases to be heard, and the promptness with which matters are dealt with, the situation has never been so good as it is. I believe it will not be many months before such things as long

waiting will have passed. Apart from the commission, about which there is a difference of opinion, I cannot understand anyone having an objection to the reviewing officer.

Mr. MACKENZIE (Vancouver): None was taken.

Mr. MacLAREN: I believe there was.

Mr. MACKENZIE (Vancouver): No; I do not think there was any objection.

Mr. MacLAREN: Not by any member of the house, but, I gathered, from an article that was read. However, I am glad to hear that there is no objection.

Mr. MACKENZIE (Vancouver): I think that as a matter of fact he was commended on the percentage of appeals; that was my understanding.

Mr. MacLAREN: The hon. member for West Lambton made no comment whatever; he simply read the article. But what does the reviewing officer do? He reviews decisions and decides which should properly be taken to appeal; but that does not interfere with the returned man, because every returned man has the right to appeal. So that regardless of the reviewing officer the returned man is not interfered with; at most it can only mean a delay in the award as a result of the time taken in appeal. But why was it that Doctor Shields was selected as reviewing officer? It was because he had spent years in reading files and making reports thereon and was able to pick out the outstanding features in the files. An ordinary man cannot do that. He was a man specially trained for that work, and really it is difficult to see what objection can be made to his qualifications.

I do feel this, and I think it is only just for me to say so, that so far as individual cases go—and I am not referring to technical or legal questions—as regards fairness and integrity as well as from the point of view of freedom from influence, I really do believe that the present pension commission can merit our full confidence. It is important, especially in the country, to have that confidence. I do not think, so far as fair and honest dealing is concerned, that the men need be apprehensive of the members of the pension court. I say this again, with a good deal of comfort, that all vexatious delays—and they were vexatious and long—are being obviated, and I can see that in the near future cases will be dealt with, decided and disposed of within a reasonable time.

Mr. MACKENZIE (Vancouver): I am sure the committee welcomes the predictions and assurances given by the minister in regard to the acceleration of cases still awaiting decision.

May I now direct the hon. gentleman's attention to certain cases I brought up for discussion in the estimates a year ago. These are the so-called disputed cases. The case I used last year by way of illustration of all these cases was the well known Skitch case. The minister may recall that last year I took a certain stand in regard to the board of pension commissioners, as it was at that time, implementing the former decision of the federal appeal board. Since that time this case has gone through the various stages of appeal from the board of pension commissioners through the pension tribunal to the appeal court. I should like to put on record, in vindication of the attitude I took last year in regard to this case, some extracts from the judgments of the present appeal court. I think the judgments in all cases are exceedingly able. Mr. Justice Hyndman, president of the court, has this to say:

> The former federal appeal board, as above referred to, decided that death was attributable to service, upon which decision, however, the commission refused to act, although it had been declared in a judgment of the exchequer court, that the federal appeal board had jurisdiction to hear and determine the claim. I have never been able to understand just why this decision was not given effect. In view, however, of the decision which I have come to on the merits of the claim, I find it is not necessary to deal with the legal aspect of the case which was presented before us, namely, the motion for a decision of this court that the federal appeal board decision was valid and binding and that therefore entitlement must be granted.

Next I shall give some extracts from the judgment of Mr. Justice Taylor, who says:

> I would assume that some question had been raised as to the jurisdiction of the federal appeal board, but just what that question was is not quite clear. However, one would think that the decision of the Exchequer court would have settled the matter and left no excuse whatever for further postponing payment to the applicant with respect to her own claim and that of her child. Still, however, payment was refused. Then the pension board suggested that she should renew her application under the new legislation which had then only recently been passed permitting any case disposed of by the federal appeal board to be renewed.
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> The applicant did apply to have her application renewed. Why she did so is hard to understand. It seems unfortunate that appropriate proceedings were not taken at that time to enforce the decision of the federal appeal board instead of renewing the application.

I want to lay particular stress upon these words of Mr. Justice Taylor:

As matters stand now, the applicant has been deprived for over seven years of the money she should have received at that time. In an ordinary court the other side would be made to compensate her for delay of this kind, at least by payment of interest.

In addition to being deprived of the use of the money the applicant has been put to a great deal of expense since obtaining the favourable decision of the federal appeal board. We have no information as to what that would amount to. If, even now, she is to be fully compensated, she should receive some consideration in this respect as well.

This court, of course, has no jurisdiction to order the payment of interest or expenses of an applicant but it is certainly a case in which, under similar circumstances, that would have been ordered in any other court having jurisdiction. All we can do, therefore, is to pass this suggestion on to the Canadian pension commission in the hope that they may find some way of making her some compensation to take care of these items.

Then the third distinguished member of the court in his judgment says:

According to this judgment we therefore have a decision of the federal appeal board which was binding on the applicant and upon the commission. It would appear, nevertheless, that the commission did not see fit to implement this decision of the board and thereby forced the applicant to seek redress from the pension tribunal. This she did through her solicitor, Mr. C. B. Reilly, K.C., who, however, did so without prejudice to the applicant's right under the federal appeal board judgment.

At the hearing before the tribunal there was submitted the decision of the federal appeal board allowing the applicant's claim and also judgment of the Exchequer court declaring that the federal appeal board, as it existed on 3rd August, 1926, or on the date of the reference, had jurisdiction to entertain and determine the applicant's appeal from the decision of the Board of Pension Commissioners. This judgment of the federal appeal board was sufficient, in my opinion, to establish the applicant's claim and stop the commission from attacking the validity of that decision as it sought to do through the evidence of Doctors Klotz, Goldie and Graham by endeavouring to establish that the death of the deceased was not due to military service—section 10 of chapter 60, 14-15 George V, in my opinion, having no bearing in the matter in respect to death claims.

I can see no justification for the Board of Pension Commissioners' action in refusing to implement the federal appeal board's decision; the ground upon which they base their refusal sems to me to be too technical to obtain in pension matters.

If it were within the powers of this court I would allow cost to the applicant. I regret that it is not within my powers to do so but I concur with pleasure with His Lordship the President, whose reasons I have had the privilege of reading, in allowing this appeal.

As a result of that unanimous decision of the appeal court the orphan was awarded a pension amounting to $3,015.36. Immediately the Canadian pension commission deducted from that the sum of $1,429.36, which amount had been given to the mother by the patriotic fund, despite the observations which were made by all three judges of the appeal court in regard to the situation. May I say further that the commission have refused in this case to pay a pension to the widow despite the recent judgment of the pension appeal court which I have read and they have written that the matter is to be "referred to the Department of Justice for consideration as the marriage appears to have been contracted subsequently to the appearance of the injury or disease causing death." So the widow is still awaiting the judgment of the Department of Justice. Meanwhile the amounts paid her by the patriotic fund have been deducted from the pension that properly belongs to the orphan and, in my opinion, to the orphan alone.

The question I am now coming to is this: Last year there were six cases known as the disputed cases. According to the observations of Mr. Justice Taylor and the other members of the appeal court, those payments which were found to be properly due by the old federal appeal board were not paid immediately by the Canadian pension commission, thus compelling the applicant in each case to commence new proceedings through the old board, the pension tribunal to the appeal court or now through the Canadian pension commission to the appeal court. I am asking the minister whether he can give me to-night any information as to what action the pension commission can take with respect to implementing the judgment and the observations of the three distinguished members of the appeal court in regard to those other cases apart from the Skitch case which I brought up last year.

Mr. MacLAREN: Those other cases were not dealt with. I have not the details before me, but it occurs to me that one or two of them were withdrawn, although I cannot be accurate as to the details. I believe this is the only case that was finally determined.

Mr. MACKENZIE (Vancouver): It was the only case that was determined by going through the ordinary procedure of pension appeals. I would point out that Mr. Justice Taylor stressed the fact that a second appeal should not have been launched at all and that those payments found to be due under the old federal appeal board system should have been immediately paid by the Canadian

pension commission. That is the finding of the appeal court at the present moment, yet it may be necessary, despite this judgment of the appeal court, for the other applicants once again to launch their applications and appeals. If the minister will be good enough to look into the situation, I think he should emphasize the point that the Canadian pension commission to-day should act upon the recommendation of the distinguished members of the appeal court. I believe the decision was given only a month ago, February 28.

Mr. MacLAREN: I shall be pleased to make inquiries, but as this communication has gone to the Department of Justice on some point about the payment of pension—

Mr. MACKENZIE (Vancouver): That is an entirely different point, I may tell the minister.

Mr. MacLAREN: I should like to wait to hear what the view of the Department of Justice is in regard to that matter. As to the question of the patriotic fund, I do not know anything about that. I do not see why that payment should count, but the commission appear to think it does. I shall be pleased to look into the matter and give the information as soon as it is available.

Mr. MACKENZIE (Vancouver): The minister will realize that there are two points to be considered: first the question of payment of pension to the widow, and, second, the question of paying pension to the other disputed cases, along the lines recommended by the members of the appeal court on February 28.

Mr. MacLAREN: I must say the case is an extremely unfortunate one, going from pillar to post; I cannot help thinking that there were several factors that were blameworthy. Whether it was a case of obstinacy or what, I do not know, nor do I know why it should have gone on to this time. Now I think some decision seems to be in sight.

Mr. SANDERSON: I have no desire to prolong the consideration of the estimates, as the ground has been pretty well covered to-night, but I should like to make one or two observations. I deplore the tone of the speech made by the hon. member for Muskoka-Ontario (Mr. McGibbon) to-night—I see he is not in his seat now. I was a member of the special committee on pensions in 1928 and again last year, I have always taken considerable interest in the matter of pensions, but when the Liberal party were in power and since they have been in opposition, and I have never seen an instance of a member on either side of the house attempting to play politics in connection with pensions for ex-service men. If there is one question that comes up for discussion here from time to time in connection with which I can say that politics have not been played, it is this question of pensions. But I am of the opinion that amendements to the Pension Act should be brought down by the government this session. In that regard there is one point I want to clear up, and may I say first that it is not done in any critical way or with the intention of casting any reflection at all upon the minister. On February 6 last, on the orders of the day, I addressed a question to the Minister of Pensions and National Health. The question was, as reported at page 332 of Hansard:

I would ask the Minister of Pensions and National Health (Mr. MacLaren) if it is the intention of the government at this session to introduce any amendment or amendments to the Pension Act?

The reply of the minister was:

The question is under consideration at the present time.

On February 6 last the minister, speaking for the government, said that the question of amendments to the Pension Act was under consideration.

On March 19 I again addressed a question to the minister as follows:

Mr. Speaker, about three weeks ago I directed a question to the Minister of Pensions and National Health (Mr. MacLaren). The question was this: Is it the intention of the government this session to bring down any amendment or amendments to the Pension Act. The reply of the minister at that time was that the matter was under consideration. Has he any further information to give to the house.

The minister's reply was:

The answer is in the negative.

I did not hear the minister very well when he made that answer, but on looking it up in Hansard the next morning I saw that the answer was ambiguous, so on March 20, on the orders of the day, I again directed a question to the minister, as reported at page 1784 of Hansard:

Yesterday I directed a question to the Minister of Pensions and National Health (Mr. MacLaren). The question was one I had asked previously, namely, on February 6, last. When the minister replied yesterday I was unable to hear him. The answer I saw in Hansard this morning is ambiguous, and does not convey anything. I shall put the question to nim again. Is it the intention of the government this session to bring down any amendment or amendments to the Pension Act?

Hon. Murray MacLaren (Minister of Pensions and National Health): My answer is very similar to the one I gave yesterday: The government has not considered the subject.

The answer on February 6 was that the matter was under consideration by the government; the answer on March 20 was that the matter had not been considered. The minister went on further to say:

Yesterday the hon. member asked whether it was the intention of the government to bring down legislation, and I said the answer was in the negative. In other words, the government has not considered the subject.

I said to the minister:

If I may be permitted to say so, when I put the question to the minister on February 6, his answer was that the matter was under consideration.

The minister replied:

I shall have to look into the matter and see what the circumstances were. Probably the circumstances at that time were different from those obtaining to-day.

I should like the minister to be frank to-night, now that his estimates are under consideration, and tell the committee whether it is the intention of the government to bring down any amendment or amendments to the act. On February 6 he said the matter was under consideration; on March 19 he said the answer was in the negative, and on March 20 he said the matter had not been considered. I shall not ask the minister to give his reply until I get through with a few other observations I have to make, but I should like a frank answer. We are paying out a vast sum for pensions, in the neighbourhood of $50,000,000 a year; thousands of returned men are making applications, and there should be amendments to the Pension Act from year to year as need arises; for these reasons I think the minister should take the house and the country, and the returned men if you like, into his confidence and tell us what the intention of the government is. If he tells us that it is not intended to bring down any amendments, well and good, but let him be candid.

I wish to say a word or two about the tribunals. I was always of the opinion that the tribunals were, on the whole, doing fairly good work, and that perhaps they had not been tried out long enough. But after sitting with that committee for many days and going thoroughly into all the questions that came before it, I agreed with the majority of the committee that the amendments that they were to recommend on the whole would probably work out well. They have worked out well on the whole, but the act is still far from perfect. Canada has done well for her returned men; perhaps no country is doing better, nevertheless there are still many defects in the Pension Act, and amendments should be made from time to time. I agree with what some of my colleagues said to-night who were also members of the special committee, that it was the intention that some at least, as many as possible, of the personnel of the old tribunal should be absorbed into the new Canadian pension commission. Apparently that has not been done. I do not know that I have a great deal of criticism to offer in that connection, but I think it was understood by the members of this committee that this would be done. I do not know why only one member of the old tribunals was appointed to the new board.

There are one or two other matters, which are perhaps of minor importance, to which I should like to direct the attention of the minister. I am not reflecting upon the new commission, but there does seem to be something wrong with their system. They have got into a rut; they have adopted an attitude, probably through the fault of the staff, whereby they seem to consider that most of the applicants for pensions are trying to get something from the government to which they are not entitled. Therefore they do not give the sympathetic attention to the cases that they should give. I might refer to the amendment that was made in 1928, I think, under which when there was any doubt as to whether or not the disability was due to war service, where that disability could not be traced directly to such war service, the returned man was to have the benefit of the doubt. I am afraid that has not worked out as it was expected to work out. I believe there are thousands of cases where it is impossible definitely to trace the disability to war service, and these men do not get the benefit of the doubt. I bring this matter to the attention of the minister for his earnest consideration.

Now I should like to refer to two cases I have in mind. I need not give the names of the men concerned, but they both live in the riding which I have the honour to represent in this house. In the one case the man went over with the first contingent and spent nearly four years in France, being demobilized in 1919. He was examined but, like thousands of other cases, the examination amounted to nothing at all. He wanted to get back into civil life; he wanted to get out of the army, and his examination did not amount to anything at all. He started to work; as time went on disabilities developed and he was on the sick list most of the time. He did not apply for a pension—this was his own fault—until about a year and a half ago, when his application went in. The matter dragged on;

no decision was given. I can quite understand that it takes some time to review the evidence in thousands of pension cases and give decisions, but finally this man received a letter from the secretary of the board advising him that his application had been turned down. When do you think that letter arrived? He received it the day before Christmas; the letter was dated December 22. I put this to the minister, and I hope he will pass it on to his staff: There must be something wrong. I am sure it was not done intentionally, but surely when an application had been pending for a year and a half it might have been arranged to have the letter conveying the decision of the board reach the man at a time other than the day before Christmas. That man had not earned anything for over a year; he had been on charity, and then along came this letter from Ottawa notifying him that his application had been turned down.

That was one case, and there was another exactly similar case except that the letter came three days before Christmas. You may say this is a trivial matter to bring up in the House of Commons; I do not think it is. I believe the minister, who is kindly and sympathetic, will agree that this practice should be stopped, and I hope he will take the matter into his serious consideration. My colleague behind me suggests that it was a peculiar Christmas box. I will be perfectly frank and tell the minister what one of these men said to me. His words were, "That's a hell of a Christmas box to get from Ottawa."

Some hon. MEMBERS: Order.

Mr. SANDERSON: If my hon. friend from North Huron says it is out of order, Mr. Chairman, you may be sure that it is quite in order. I hope the minister will give that some thought at least.

Now I come back to the question whether we are going to have any amendment or amendments to the Pension Act this session. Will the minister be good enough to give the committee a definite answer, either yes or no?

Mr. MacLAREN: If my hon. friend who has just taken his seat will give me the numbers and names, privately, of those men to whom he referred, I will have the cases looked into.

Mr. SANDERSON: I shall be very glad to give the minister the information.

Mr. MacLAREN: My hon. friend has the virtue of persistence, which is a great thing in life. I believe I am acquiring something of a legal mind, because I do not see any real discrepancy between those two answers that I gave. After all, six weeks elapsed between the two questions, and if my hon. friend were to ask me again in six weeks my answer might be just as varied, because it would depend on the interval that had elapsed since the question was previously asked. Circumstances change. I am not joking now; I would be happy to give a frank answer and say yes or no if I could, but that is something I cannot do. All I can say is that when I can make that answer I will make haste to let my hon. friend know. I would prefer that the hon. member should not press that matter for the present, because it is impossible to say yes or no. The answer given the other day may have seemed to him to be a little involved, but it was a guarded answer and was within the bounds of accuracy. I think we might well let the matter stand.

Mr. SANDERSON: I am perfectly willing to let the matter stand if the minister is referring to the question whether or not any amendment or amendments will be brought down. But I want to put this question to the minister now: Can he tell the committee if the government is giving any consideration to the matter?

Sir EUGENE FISET: He is strong on consideration.

Mr. SANDERSON: The minister was strong on consideration on February 28, but on March 19 he was off consideration.

Mr. MacLAREN: I might have become very weak by that time. One's condition of strength varies from time to time, according to circumstances. I shall do the best I can, but I am sure that I cannot give the hon. member an answer which would satisfy him at the present time. I shall be delighted to do it when I can.

Mr. SANDERSON: The minister could easily give me an answer which would satisfy me.

Mr. RALSTON: All he has to do is to say yes, and you would be satisfied.

Mr. SANDERSON: If he would say yes, I should be satisfied, and if he would say no, we would know that the government was not going to bring down any amendment. Does the minister wish to leave the matter just where it is?

Mr. MacLAREN: I should prefer that.

Mr. SANDERSON: Well then, I shall have to accept the minister's answer, such as it is, and he will have to take the responsibility of not satisfying me. I have given him every opportunity and every chance, not only once, but for the second and third times. This is now the fourth time. While on the first, second and third occasions he wavered, on the fourth occasion he almost toppled over, and still he says nothing. I am perfectly willing to leave it at that.

Mr. REID: Before the item passes I should like to make one or two observations. While most of the discussion this evening has been about marriage licences, I have before me the particulars of a case which, although not quite within the category of the cases under discussion, is important enough to bring before the minister. This man has been separated from his wife for twenty-six years. Five years ago he married a woman who was also a pensioner, her husband, a returned man, having died, and she being in receipt of a pension. On her marriage to this man she lost the pension, but of course his allowance was increased owing to the fact that he had married. Upon inquiry it now turns out that he was not legally married to the woman he is now staying with.

Mr. BENNETT: Why?

Mr. REID: Having been separated some twenty-six years they say he is still legally married to the woman in England.

Mr. BENNETT: Is she living?

Mr. REID: I understand that she is. But the situation is this: He married the second time in good faith, and if he is not legally married, the woman, who, was originally a pensioner, should have her pension restored. The board should be consistent.

Mr. MacLAREN: Where does the matter stand? Is it now before the courts?

Mr. REID: No, the matter is not before the courts. They are deducting so much a month from this man, stating that during these five years he has been over paid, although at the time of his marriage to the woman with whom he is living he notified the board of the circumstances, and no objection was then taken.

Mr. MacLAREN: This case may have been restored; I cannot state definitely, as a matter of fact, but restoration may have been made, under the announcement made some time ago by the Prime Minister. If the hon. member will let me know the name I shall look into the matter.

Mr. REID: I made inquiries from the board of pension commissioners, and only a few days ago received a letter from the man in question in which he states he had not received pension. In making inquiries I was informed that this case would not come under the cases for discussion.

Mr. BENNETT: It clearly would not.

Mr. REID: If it would not it is an awkward position in which to be left. If she is not legally married to the man her pension should be restored. She is the wife of a returned man who had died, and before she married was in receipt of a pension. I believe this case is worthy of attention.

Mr. BENNETT: Does the hon. member say she has not had the pension restored to her, either?

Mr. REID: No she has not.

Mr. BENNETT: The hon. member is quite sure of that?

Mr. REID: Yes.

Mr. BENNETT: You cannot have it both ways; that is reasonably clear.

Mr. REID: I believe the case is important enough to bring before the minister.

Mr. BENNETT: The hon. member will give the minister the name.

Mr. REID: I shall do so privately; I have it before me.

Mr. RALSTON: I believe the answer is that she is supposed to be living an immoral life.

Mr. BENNETT: Yes, but I think that is nonsense; it is not fair.

Mr. REID: The hon. member for South Perth (Mr. Sanderson) spoke about the benefit of the doubt clause, and I am wondering whether hon. members have really touched the crux of the matter as it was put to me by the returned men's organization before I came to Ottawa. I think there is a great deal of merit in their claim. Subsection (a) of section 11 states:

Pensions shall be awarded to or in respect of members of the forces who have suffered

disability in accordance with the rates set out in schedule A of this act, and in respect of members of the forces who have died in accordance with the rates set out in schedule B of this act, when the injury or disease or aggravation thereof resulting in disability or death in respect of which the application for pension is made was attributable to or was incurred during such military service.

The word "incurred" is in clause (a), but when one comes to clause (c) hon. members will find that the word "incurred" has been left out. The returned men's organization which interviewed me maintained that the board of pension commissioners took no notice whatever of clause (a), but that they based their findings on clause (b), and if that is the case section 73, the benefit of the doubt clause, has no effect. That is evident, because in subsection (c) the word "attributable" is left out, the word "incurred" alone remaining, and a man has to prove hospitalization during the time he was in France or England before he is able to prove that the injury from which he is now suffering was incurred in service. At the time the act was drafted the words "attributable to" were put in so as to give a man the reasonable benefit of the doubt of injuries attributable to war service and from which he might be suffering to-day. I believe it is because this expression is left out of subsection (c) that there is a good deal of unrest and dissatisfaction from one end of the country to the other, especially on the part of those who have been turned down, due to the fact that they were not able to bring proof or to show in the records that they had incurred disability while serving either in France, in England, or with the forces.

I think these matters should be taken into consideration. If the minister is contemplating any changes in the act he would do well to look into the wording of subsection (a) and note that while in that subsection the words "attributable to" appear, they are left out of subsection (c), and there is just the word "incurred"; so that in dealing with section 73 the board has been looking only at subsection (c) and ignoring subsection (a). That is the crux of all the trouble and the dissatisfaction of many returned men who find themselves suffering from ailments attributable to war service.

While the cases in which the question of marriage is involved have been discussed, I have before me a complaint which is entirely different but which I believe should be mentioned. My understanding is that the act did not come into force until October 1 of last year. In the changes made last year there was provision under which any children born after May 1 would not be granted a pension or could not be registered. I have had several complaints from my own constituency about children born in the month of June. Apparently the board were acting ahead of time; at least they were acting before the law had been made operative by official notice. I think from the investigations I have made that we were perhaps a little to hasty last year when we enacted that legislation regarding children born after June 1, 1933. Many men who served at the front are still comparatively young men, and when that clause was put in we were, in a way, telling them that children they had in future would not be registered with the board of pension commissioners, nor would they receive any pension on their account. But cases that happened in June of last year should have been registered and should have received the small pension, at least until such time as the governor in council made the proclamation in October, 1933. I am sorry to have taken up the time of the committee, Mr. Chairman, but these matters are very important.

Mr. MacLAREN: We have made a note of the hon. gentleman's point in reference to the drafting of that clause. Personally I think it is correct, but it is a difficult question, and if the hon. member would come to the department some time we could go into that fully.

Mr. REID: I shall be very pleased to do so.

Mr. BRADETTE: It is my duty to bring to the attention of the committee a case that I have brought up in two previous years.

Mr. BENNETT: Perhaps the hon. gentleman will not proceed to-night, as the Minister of Labour desires to table some papers.

Item stands.

Progress reported.

UNEMPLOYMENT AND FARM RELIEF

INFORMATION AS TO EXPENDITURE, LOANS AND ADVANCES, ETC., TABLED BY MINISTER OF LABOUR

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, yesterday the right hon. leader of the opposition (Mr. Mackenzie King) asked for certain information in connection with the resolution that was then being dealt with in committee, and with the consent of the house I desire to lay on the table auditor general's reports, twenty in number; also

statements concerning expenditure by the federal government, by provinces, under the various relief acts since 1930; statements of loans and advances to provinces; numbers receiving relief by months, from January, 1933, to February, 1934, inclusive; also statement as to the number employed in trade unions.

The hon. member for Charlevoix-Saguenay (Mr. Casgrain) also asked that he be supplied with details of the work to which the federal government had subscribed in that constituency. The hon. member is not in his place just now, and I will lay that information on the table so that it will be available for him.

On motion of Mr. Bennett the house adjourned at 10.58 p.m.

Monday, March 26, 1934

The house met at three o'clock.

TARIFF BOARD

REFERENCE TO SUPREME COURT OF RIGHT TO MAKE RULINGS ON POINTS OF LAW AND FIXING OF VALUES

Right Hon. R. B. BENNETT (Prime Minister): I beg to lay on the table certified copy of a minute of a meeting of the committee of the privy council approved by the deputy of His Excellency the Governor General on March 23, 1934, respecting the reference to the Supreme Court of Canada of certain questions affecting the Tariff Board Act.

UNEMPLOYMENT AND FARM RELIEF

Hon. W. A. GORDON (Minister of Labour): I desire to lay on the table the following documents:

Complete texts of orders in council which were passed during the recess of parliament and which were synopsized in the Canada Gazette;

Also sessional paper No. 84, being a memorandum of the auditor general with respect to the investigation of relief payments in the province of Saskatchewan;

Also a statement showing the number of refunds which have been made to the dominion government under the Relief Acts of 1930, 1931, 1932 and 1933;

Also full texts of orders in council directing the auditor general with respect to audits of relief accounts.

[Mr. Gordon.]

All of this was asked for by the leader of the opposition (Mr. Mackenzie King) on Thursday last.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

RETURNED NATIVE-BORN CANADIANS

Mr. COTNAM:

How many native born Canadians returned to Canada to take up residence, during the years 1930, 1931, 1932, 1933 and 1934 respectively?

Mr. GORDON:

The number of Canadian born persons, still British subjects returning to Canada from the United States, after having taken up residence in the United States, is as follows:

Fiscal year 1930-1931..	26,811
" " 1931-1932..	17,691
" " 1932-1933..	16,320
10 months ended January, 1934.	7,619

The following table shows the number of Canadian born persons returning from other countries than the United States, but the department is unable to show how many of these returned after having taken up residence abroad; it is thought that the number of such is very small and that practically the entire movement is made up of Canadians who have been visiting abroad:

Fiscal year 1930-1931..	13,989
" " 1931-1932..	11,020
" " 1932-1933..	11,796
10 months ended January, 1934.	10,090

MR. A. J. MORIN

Mr. POULIOT:

1. Has Mr. A. J. Morin carried the mail to the post office of Pied du Lac, Boisvert, Les Etroits and Belanger siding, since 1930?

2. If so, from what date to what other date?

3. Is there a contract between the said Mr. Morin and the Post Office Department with respect to the carriage of the mail to such localities?

4. If so, what date does such contract bear and what sum was paid to the said Mr. Morin, to date?

Mr. SAUVE:

1. Yes.

2. From August 9, 1933, to November 20, 1933.

3. No.

4. Mr. Morin performed this service free of cost to the Post Office Department.

QUESTIONS PASSED AS ORDERS FOR RETURNS

PROPOSED TAXATION OF LEAF TOBACCO

Mr. FERLAND:

1. Has the government received petitions asking that a tax of 20 cents per pound be levied on the sale of leaf tobacco?
2. If so, how many such petitions have been received?
3. How many persons in each province, made such a request?
4. How many persons, in each separate municipality, signed such petitions?
5. What manufacturers proposed or recommended the taxation of leaf tobacco?
6. What are the municipalities whose municipal councils may have approved, by way of resolutions, the proposal to tax leaf tobacco?
7. Has the government received petitions or resolutions from municipal councils protesting against such a proposal?
8. If so, how many?
9. How many persons, in each province, signed such petitions of protest?
10. How many persons, in each municipality, signed such petitions of protest?
11. What are the municipalities whose municipal councils may have protested, by way of resolutions, against the proposal to tax leaf tobacco?

Mr. RHODES: In asking that this question stand as an order for return I might indicate that it asks for a great deal of information of a character which hitherto has been regarded as confidential, namely, representations made to the government with respect to matters affecting tariff and taxation. I have no objection to its passing, but it must be understood that we must conform to the usual practice in this respect in bringing down the return.

PENSION COMMISSIONERS

Mr. ROSS:

1. How many sessions of quorums of the Canadian pension commission have been held since the appointment of the commission?
2. Where were these sessions held, and what members of the commission sat at each session?
3. How many cases were considered at each session and how many decisions favourable to applicants were given?

LAUZON, QUE., DRY DOCK CLERKSHIP

Mr. POULIOT:

1. Did the civil service commission advertise a vacant clerkship, grade 3, at the drydock at Lauzon, Quebec, in 1933?
2. If so, what persons applied for this position?
3. What was the rating of each such person?
4. Was an appointment made in connection with the filling of such position?
5. If so, who was appointed and upon whose recommendation?

Mr. CAHAN: Return tabled herewith.

RENTAL OF OFFICES IN HAMILTON

Mr. WILSON:

1. What offices are rented by the dominion government in the city of Hamilton?
2. Who owns these buildings?
3. From what agent or agency were they leased?
4. When and for how long were leases made?
5. What amount of rent is paid in each lease?

Mr. STEWART (Leeds): Return tabled herewith.

DEPARTMENT OF AGRICULTURE—SASKATCHEWAN AND MANITOBA EMPLOYEES

Mr. VALLANCE:

1. What are the names, ages, titles and addresses of all inspectors in the employment of the federal Department of Agriculture in Saskatchewan during the years 1930, 1931, 1932, 1933, showing which were permanent and which were temporary?
2. How many of such inspectors have had their services dispensed with in Saskatchewan since January 1, 1933?
3. What were the specific reasons of termination of services?
4. What are the names, ages and titles of all returned soldiers in the employment of the Department of Agriculture in Saskatchewan during the years 1930, 1931, 1932, and 1933?
5. What are the salaries of each?
6. What per cent of war pension did each receive, if any?
7. What are the names, ages and titles of those whose services were dispensed with during 1933?
8. How many inspectors have been engaged by the Department of Agriculture in Manitoba and Saskatchewan since 1929?
9. What are their names, addresses and official titles?
10. What are the names and addresses of such inspectors still in the employ of the Department of Agriculture?

MOTIONS FOR PAPERS

DISMISSAL OF DR. L. R. MURRAY

Mr. VENIOT:

For a copy of all correspondence, orders in council and other documents, in connection with the dismissal of Dr. L. R. Murray, medical representative of the Department of Pensions and National Health at Sussex, New Brunswick, and the appointment of his successor.

RIVIÈRE AU RENARD, GASPE, WHARF

Mr. BRASSET:

For a copy of all pay lists respecting works carried out at the wharf of Riviere au Renard, county of Gaspe, during the years 1930, 1931, 1932, and 1933.

UNEMPLOYMENT RELIEF ACT—NEW BRUNSWICK

Mr. BRASSET (for Mr. Rhéaume):

For a copy of all telegrams, correspondence and reports exchanged between the federal government and the government of New Brunswick, respecting the refund of federal contributions made by virtue of the Unemployment Relief Acts of 1930 and 1931.

UNEMPLOYMENT RELIEF ACT—NOVA SCOTIA

Mr. BRASSET (for Mr. Rhéaume):

For a copy of all telegrams, correspondence and reports exchanged between the federal government and the government of Nova Scotia, respecting the refund of federal contributions made by virtue of the Unemployment Relief Acts of 1930 and 1931.

UNEMPLOYMENT RELIEF ACT—ONTARIO

Mr. BRASSET (for Mr. Rhéaume):

For a copy of all telegrams, correspondence and reports exchanged between the federal government and the government of Ontario, respecting the refund of federal contributions made by virtue of the Unemployment Relief Acts of 1930 and 1931.

UNEMPLOYMENT RELIEF ACT—SASKATCHEWAN

Mr. BRASSET (for Mr. Rhéaume):

For a copy of all telegrams, correspondence and reports exchanged between the federal government and the government of Saskatchewan, respecting the refund of federal contributions made by virtue of the Unemployment Relief Acts of 1930 and 1931.

UNEMPLOYMENT RELIEF ACT—BRITISH COLUMBIA

Mr. BRASSET (for Mr. Rhéaume):

For a copy of all telegrams, correspondence and reports exchanged between the federal government and the government of British Columbia, respecting the refund of federal contributions made by virtue of the Unemployment Relief Acts of 1930 and 1931.

LOANS TO BRITISH COLUMBIA—CORRESPONDENCE

Mr. PLUNKETT:

For a copy of all telegrams, letters, orders in council or other correspondence, between the Prime Minister, Minister of Finance, Minister of Labour or the deputy ministers, and the Prime Minister of British Columbia or any other cabinet minister of the present government of British Columbia or their deputy ministers in reference to direct financial loans to the province of British Columbia and unemployment relief measures, with a complete statement of such loans and amounts paid or received in accordance with the last available returns.

SALE OF NICKEL TO RUSSIA

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): May I direct a question to the hon. Minister of Trade and Commerce?

[Mr. Brasset.]

According to the morning papers the Sunday Express of London stated yesterday that the soviet trade organization had bought £1,000,000 worth of pure nickel. I would like to ask if we are resuming trade with soviet Russia via London; and further if the minister could inform us whether this nickel is going to arm soviet Russia or going into bathroom fixtures and other commercial purposes?

Hon. H. H. STEVENS (Minister of Trade and Commerce): I presume that the hon. gentleman heard the other day in the debate on this subject most of the information he is seeking in the question.

Mr. WOODSWORTH: I could not get the information. May I ask if the Minister of Trade and Commerce has no knowledge of this nickel deal?

Mr. STEVENS: Only what I read in the press.

Right Hon. R. B. BENNETT (Prime Minister): The hon. gentleman perhaps knows that sales of all Canadian metals are largely made, not in Canada at all but through metal brokers in Great Britain, to whom the metal in many instances is sold and who resell it. That is the reason we are not in a position to say what the final destination of many of our sales of metals and minerals may be. I assume that the hon. gentleman from his personal investigations has ascertained that, as I have. That reference made in the Express of yesterday, if it is accurately transmitted, may involve a well known firm making sales with which we have nothing to do; the nickel might have been bought and held by them in store for a substantial period of time.

CAIRO POSTAL CONGRESS

On the orders of the day:

Mr. E. J. GOTT (South Essex): I would like to draw to the attention of the Prime Minister and to the members of this chamber generally the fact that although the Postmaster General has returned from an extended trip abroad the hon. member for Temiscouata (Mr. Pouliot) is not in his seat to greet him.

ST. LAWRENCE WATERWAY

On the orders of the day:

Hon. W. D. EULER (North Waterloo): I would like to address a question to the Prime Minister. In view of the fact that the Senate of the United States has declined to ratify the treaty providing for the joint construction of a St. Lawrence waterway is that treaty now null and void?

Right Hon. R. B. BENNETT (Prime Minister): I made a statement on the matter the other day which is self-explanatory, and to which I have nothing to add.

Mr. EULER: I am afraid I did not catch it.

CANADIAN NATIONAL RAILWAYS

RUMOURED ABANDONMENT OF LINE BETWEEN HOPE AND VANCOUVER

On the orders of the day:

Mr. THOMAS REID (New Westminster): I would like to direct a question to the hon. Minister of Railways. A few days ago I asked him a question regarding the abandonment by the Canadian National Railways of the line from Hope to Vancouver. At that time he stated to me that he had no knowledge of any such abandonment. In view of a report which has just reached me that trackage is being constructed at the present time by the Canadian Pacific Railway with that end in view I would ask the minister if he would be good enough to inquire into this and bring a report.

Hon. R. J. MANION (Minister of Railways): Yes, I shall make inquiry, and answer the hon. gentleman to-morrow if possible.

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

Hon. ROBERT WEIR (Minister of Agriculture) moved that the house go into committee to consider the following proposed resolution:

That, it is expedient to bring in a measure to improve the methods and practices of marketing of natural products in Canada and in export trade, and to provide for a dominion marketing board, the remuneration of the members thereof and of assistants and employers, and to authorize payment to the board of such sums of money as may be necessary for the purposes of the proposed legislation.

Right Hon. R. B. BENNETT (Prime Minister): I believe that at the close of the sitting on Friday last it was indicated that the first order of business would be the relief bill. But if it be convenient to take up order number 17 first it would enable the house to see the printed bill as soon as the first reading is given. As the bill is already printed it might be desirable to proceed in that way, without in any way lessening anybody's rights.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): If it will expedite matters the opposition is quite agreeable to have the house proceed in that order.

Motion agreed to and the house went into committee, Mr. Morand in the chair.

Mr. VALLANCE: I think this is an opportune time for the minister to give us details of what he intends to do under the proposed bill.

Mr. WEIR (Melfort): I feel that no purpose would be served by attempting to go into the details of the matter now, for no matter what interpretation I might give, hon. members when they have the bill before them, might wish to give another interpretation. Therefore I think it desirable that the matter be expedited so that the bill be placed before them for their own study and consideration.

Mr. MOTHERWELL: This matter of the establishment of a marketing board has been in the minister's mind now for over three years, and I have no doubt discussed quite fully by the government in council and so should be fairly well prepared for complete incubation by this time. I therefore do not feel like delaying it much, because there are farmer representatives here who have been waiting anxiously for the last two months to get a peep at this bill before they return home prior to the Easter recess. Therefore any delay on my part would be just aggravating the delay that has already occurred. I might however, point out that some explanation might be made as to what "natural products" includes. Does it include processed or semi-processed commodities? Does it include bacon, cheese and other products which strictly speaking are not natural products because they have been processed? If the marketing bill does not include these products it would be looked upon by many as quite incomplete. Two years ago, when the minister's estimates were up, I indicated that I was favourably disposed to the proposition of an export marketing board, and I am still of that opinion, but I think the minister might give us a little inkling of what is contained in the bill and its main principles. We do not know when the bill will be brought down.

Mr. BENNETT: It will be introduced as soon as the resolution is through.

Mr. MOTHERWELL: Then perhaps I had better wait patiently for the bill.

Mr. WOODSWORTH: I think it is usual in a matter of this kind for the minister to supply us with some information; otherwise this becomes a purely formal matter. We are not generally asked to accept a pig in a poke, to use an old phrase; we should have some intimation as to what really is the scope of this bill.

Mr. WEIR (Melfort): The bill is printed and it is intended to move the first reading as soon as the resolution is reported. Then hon. members will have the bill before them for consideration. The explanation of the bill itself is pretty well covered, in a general way, in the resolution. It has to do with the marketing of natural products. There have been many discussions in this house in connection with the marketing of natural products, and questions have been raised as to whether or not the farmer received a fair proportion of the price paid by the consumer. The question also has been raised as to the control of the rate at which products should go forward. It is the purpose of this bill to take what steps may be deemed advisable to make it possible, by cooperation with the trade and the producers, to have a greater proportion of the money spent by the consumer go to the producer.

Mr. WOODSWORTH: Then may I ask one other question. Is it contemplated that this bill will dovetail with provincial bills that we may expect to have passed?

Mr. WEIR (Melfort): Yes.

Mr. DONNELLY: I should like to ask the minister the same question that was asked by the ex-Minister of Agriculture. This bill deals with natural products, such as wheat, cattle, pigs, sheep and so on, but does it deal with such things as flour, bran, shorts, bacon, ham, mutton, beef and articles partly processed?

Mr. WEIR (Melfort): Natural products and those partially processed.

Mr. DONNELLY: It does not deal with butter and cheese?

Mr. WEIR (Melfort): Yes.

Mr. ILSLEY: The horticultural council passed a resolution in favour of setting up a dominion marketing board for fruit. I should like to ask the minister whether this is the board or whether a separate marketing board is to be set up for the marketing of fruit.

[Mr. Motherwell.]

Mr. WEIR (Melfort): I am sure hon. members will agree that this will be best explained when the bill is introduced. Full consideration has been given the recommendations of the horticultural council in the drafting of the bill.

Mr. MACKENZIE (Vancouver): Is it the intention to send the bill to the standing committee on agriculture and colonization?

Mr. WEIR (Melfort): That still has to be decided.

Mr. MACKENZIE (Vancouver): If that is done this will be our only opportunity to ask questions of the minister.

Mr. WEIR (Melfort): No; there will be ample opportunity for that even if the bill is sent to the committee.

Mr. DUFF: In view of the fact that this resolution mentions natural products I wonder if the minister can tell the committee whether fish and fish products will be included.

Mr. WEIR (Melfort): Yes.

Mr. ILSLEY: I think the minister should give a little further explanation as to the provisions of this bill. This measure is of vital importance to many sections of the dominion; in my constituency there is perhaps more interest shown in this legislation than in anything else to be brought down this session. I think the committee should be informed as to the general principles of the bill. It might be possible to set up a marketing board with very wide powers; it might have the power to curtail exports or perhaps to restrict production. Very important and far-reaching principles may be at stake.

Mr. WEIR (Melfort): Provision is made in the bill for cooperation with provincial and other boards that may be set up in accordance with the bill. Might I suggest once more that if hon. members would report this resolution the bill would be placed in their hands at once for consideration and study.

Mr. MACKENZIE (Vancouver): This is the only time we will be in committee, and this is our only opportunity to ask questions of the minister in regard to the bill itself.

Mr. WEIR (Melfort): On the motion for second reading there will be ample opportunity to discuss the details of the bill.

Mr. IRVINE: I should like to ask the minister if wheat is included in the products to be marketed under the proposed bill.

Mr. WEIR (Melfort): All agricultural products are included.

Mr. NEILL: The words used are "natural products." Would that cover fish and lumber?

Mr. WEIR (Melfort): Yes.

Mr. McINTOSH: I should like to ask the minister if the members of this marketing board will be typically representative of agriculture in a national sense?

Mr. WEIR (Melfort): I have no hesitation in saying that the members of the board will be chosen with regard to their qualifications to look after the interests of agriculture.

Mr. VALLANCE: I should like to ask the minister if this is the legislation under which the provincial measures are going to be made operative.

Mr. WEIR (Melfort): I would suggest that the interpretation of the bill might better be left until the bill itself is before the house.

Mr. VALLANCE: I appreciate that the minister may not be as familiar with the procedure of this house as others may be, but this is the first intimation we have had as to this resolution on which the bill is to be based, and this is our first opportunity to discuss it. If the resolution is accepted probably the bill will be accepted, but I believe it would be possible to kill this legislation at this stage. How can we consider the matter intelligently unless we know something of the provisions of the bill?

Mr. STEWART (Edmonton): This morning there came to my hand a copy of the legislation being introduced in the legislature of Alberta. I just want to say to the minister that if his legislation is as drastic, with regard to the marketing of wheat, as are the proposals contained in the provincial bill, so far as I am concerned I intend to offer it pretty strenuous opposition. I quite appreciate the fact that the minister cannot at this stage tell us about the contents of the bill; to get that we will have to wait until the bill is introduced. But the proposals which have been introduced in the legislature of the province of Alberta are the most drastic that I have known to be introduced into any democratic legislature since I have been acquainted with public affairs. I wish to say only this, that if I were a member of the legislature instead of a member of the House of Commons I would oppose them with all the strength I possess. I trust this government is not going quite that far.

Mr. PLUNKETT: Is it any more drastic than the Special Powers Act introduced by Mr. Pattullo in British Columbia?

Mr. STEWART (Edmonton): My hon. friend will have to speak on his own behalf; I cannot say as to that.

The CHAIRMAN (Mr. Morand): Shall the resolution carry?

Mr. VALLANCE: No; I should like to ask the minister the same question he was asked before: Under the bill will it be possible for us to discuss the whole of legislation pertaining to marketing, or the control of the production of wheat in the Dominion of Canada? In this regard I am like the hon. member for West Edmonton. I have in my office to-day a copy of a bill which either has been put through the legislature of Saskatchewan or is being contemplated, and I should like to know if the legislation now before us is to be simply concurring legislation to make the provincial measure operative?

Mr. BENNETT: The hon. member probably knows that the provinces have jurisdiction with respect to property and civil rights, and the question as to the quantity of wheat which may be grown is a matter to be dealt with by provincial legislatures. The bill which will be founded upon this resolution, dealing as it does with natural products, will of course afford opportunities if occasion arises, to deal with any question which may arise in connection with wheat.

The hon. member for Vancouver Centre (Mr. Mackenzie) has raised a question which I think might properly be discussed. The only reason the resolution is before the house at all is because it involved an expenditure of public moneys. I confess that when the new rules made it no longer necessary to introduce resolutions when dealing with matters of trade and commerce we thought possibly this measure might not require a resolution. But in view of the provision for the payment of officials out of public revenues it is quite clear that a resolution is necessary. I appreciate and sympathize with the difficulty mentioned by the hon. member. In moving his resolution the minister is not supposed to do more than to state the general purposes of the measure. On the introduction of his bill, when asked, as I understand the rules he should, he may give a succinct statement indicating the general purposes of the legislation, and the principles to be crystallized into legislative form. And in committee after the second reading there may be a full discussion of every detail. In the very nature of things the market-

ing bill is just what it says it is, it is a bill providing for regulations as to the marketing of natural products in the dominion. Details, of course, will have to be considered, and that can be done only when the house is in committee on the measure. The motion for second reading will involve the approval or the disapproval of the general principle indicated by the bill.

Mr. MACKENZIE KING: In connection with any measure which is introduced is it not customary for the government to advise hon. members at an early date as to whether or not the measure will be referred to one of the special standing committees of the house? That has been asked, and no reply has been made.

Mr. BENNETT: I might say to the right hon. gentleman that in recent years a practice has grown up which is wholly at variance with what was the custom in this house or is the custom in the British House of Commons. To refer measures to select standing committees was not done with respect to all the great measures passed between 1896 and 1911, 1911 and 1917, and from 1920 forward. From time immemorial the Bank Act has been referred to a special committee for reasons that are obvious. But general legislation, upon which the government has determined its policy, is usually submitted to a committee of the whole house. I know of no reason why this measure should not be dealt with by a committee of the whole house, so that questions may be asked by hon. members and answers given by the minister in charge. If there are any good reasons given why this practice should not be followed, then those reasons will have to be considered and a conclusion arrived at in an endeavour to suit the convenience of the house and the best interests of the country as affected by the legislation. At the moment I can see no reason why this measure should follow other than the ordinary course, namely to be considered by a committee of the whole house after it has received second reading.

Mr. MACKENZIE KING: The Prime Minister has answered the question asked as to the government's intention. That is all that was asked.

Mr. ILSLEY: I take it that it is the intention of the government to refer the measure to a committee of the whole house, and that is my opinion of what should be done. I understand also, however, from the Prime Minister's remarks, that on a resolution such as the present one the minister in charge ordinarily explains the principle of the bill. That is the only thing we are asking the Minister of Agriculture to do. As this is a matter of some interest to the part of Canada from which I came I have made some inquiries about marketing board legislation in other countries of the world, and the principles upon which marketing board acts, per se, are framed in other countries of the world. I expected the minister to tell the committee about those functions. For instance, will this marketing board have power to purchase surpluses? That is a very important power for such a board to have, and I may say that marketing boards in some other countries do have that power. Another question which might be asked is this: Will it have power to destroy surpluses, as is done in Brazil in connection with coffee.

Mr. BENNETT: And as has been done with pigs in the United States?

Mr. ILSLEY: Will this board have power directly or indirectly to restrict production? That is a question which will go to the very root of the principle of the bill, and one which is very important because there are people who do not believe in restriction of production, and there are others who take the opposite view. Will this board directly or indirectly have the power to fix domestic prices? I believe that if the minister would explain these matters to the committee, and tell us as to whether or not those principles are embodied in the legislation we would be fairly well satisfied at this stage.

Mr. BENNETT: I am sure that upon a moment's reflection the hon. member will agree that the questions he has asked are details in the application of a principle. Obviously one of the questions to be asked concerning the application of a principle is: Does the marketing measure provide for the distribution of surpluses? Further, does it provide for the restriction of production? Does it provide for the destruction of animals, such as was done in Denmark during the last few months, the ashes of which animals were used for fertilizer? Then, in the United States, there was a destruction of pigs. All these questions could be asked on the application of a principle. We may or we may not do those things. But supposing the answer were either yes or no, such answer would not have any effect upon the resolution. On the first reading of the proposed bill, having regard to its character, I understood the minister proposed to make a short statement as to the principle. Then the house, after having become seized of the whole measure would

or would not give it second reading, would debate second reading, or would divide upon it and take such action with respect to it as is desirable.

Let us suppose there were no resolution at all; the only reason for the resolution is that of expenditure. Had there been no resolution, by this time leave to introduce the bill would have been granted, the bill would have been read the first time, after a statement had been made, and would stand for second reading. I can see no great reason in view of what has been said, why the details of the bill cannot be dealt with at the proper time. The principle must be considered when the measure is submitted for second reading.

Mr. POULIOT: Before the bill is submitted to us, Mr. Chairman, I wish to put on record a few statistics in regard to the production, export and home consumption of certain products. They are as follows:

Production

1932 compared with 1930

	Quantity		Value
Tobacco	(pounds less)	447,199	$ 1,641,172*
Dried apples	(pounds less)	208,832	75,168*
Canned apples	(cases more)	238,479	489,530†
Canned pears	(cases more)	78,541	75,329*
Pickles and sauces	(gallons less)	839,950	1,417,753*
Unmanufactured leather			5,748,197*
Manufactured leather			12,570,690*
Canned tomatoes	(cases less)	1,906,283	4,781,095*
Vegetable oils in pounds	(pounds more)	9,257,179	149,807†
Vegetable oils in gallons	(gallons less)	1,678,343	3,310,329*
Fish products			21,847,107*
Unmanufactured wood			171,000,000*
Pulp			57,943,419*
Paper products			71,751,802*

*Less. †More.

It will be noted that there was an increased production in only two items, canned apples, and vegetable oils in pounds.

Now I wish to give a few figures comparing home consumption and exports in 1933 with 1930:

	Home consumption year 1932-33 compared with 1930-31 Increase	1933 exports compared with 1930 More
Tobacco (pounds)	2,217,477	$2,413,375
Canned pears (cases)	78,541	243,409
Pork meat* (pounds)	196,774,707	4,788,666
Butter† (pounds)	25,698,173	416,369

*The price of bacon and hams per hundredweight was $24 in 1930 as compared with $11 in 1933.

†The price of butter per pound was 30 cents in 1930 as compared with 17 cents in 1933. More.

In the preceding list it will be noted that in four items, tobacco, canned pears, pork meat, and butter, there was an increased home consumption. In the following items there was a decreased home consumption:

	Home consumption Year 1932-33 compared with 1930-31 Decrease	1933 exports compared with 1930
Apples..barrels	1,209,934	$2,050,494*
Honey..pounds	9,535,689	111,263*
Eggs (1)..dozen	45,959,763	352,507*
Dressed beef (2)..pounds	89,161,967	672,534†
Concentrated milk..pounds	48,990,807	851,093†
Cheese..pounds	7,548,392	5,130,401†
Peas..bushels	973,616	3,819†
Potatoes..hundredweight	2,284,769	5,504,758†
Oats..bushels	4,116,422	635,552*
Barley..bushels	30,140,741	225,488*
Wheat..bushels	55,146,394	63,373,340†
Wheat flour..barrels	1,689,000	18,523,737†

* More. † Less.

(1) The price of eggs in the shell, per dozen, was 37 cents in 1930 as compared with 21 cents in 1933.

(2) The price of dressed beef, per hundredweight, was $15.70 in 1930 as compared with $5.83 in 1933.

The commodities, therefore, of which there has been a decreased home consumption in 1933 as compared with 1930, are apples, honey, eggs, dressed beef, concentrated milk, cheese, peas, potatoes, oats, barley, wheat and wheat flour; and as to pork meat, beef, eggs and butter, the price in 1933 was greatly reduced as compared with 1930.

I wish now to give a list of exports of certain commodities for 1933 as compared with 1930:

Raw tobacco	$ 2,402,674*
Manufactured tobacco	10,701*
Fresh apples	2,050,494*
Dried apples	147,082†
Canned pears	243,409*
Honey	111,263*
Pickles and sauces	221,165*
Bacon and hams	4,788,666*
Eggs in shell	352,507*
Cattle	271,318*
Dressed beef	672,534†
Sheep, lambs and mutton	40,329†
Unmanufactured leather	1,485,006†
Manufactured leather	452,412†
Canned tomatoes	274,017*
Peas	3,819†
Potatoes	5,504,758†
Oats	635,552*
Barley	225,488*
Wheat	63,373,340†
Wheat flour	18,523,737†
Vegetable oils	60,329†
Concentrated milk	851,093†
Butter	416,369*
Cheese	5,130,401†
Fish products	11,637,453†
Unmanufactured wood	36,168,985†
Pulp	15,705,342†
Paper and manufactures of paper	66,134,111†

* More. † Less.

I should like to ask the government if something is to be done to preserve our local markets and to increase home consumption. According to the official figures which have not been contradicted and which have been on Hansard since February 13, the home consumption of some very important commodities which are produced by the farmers of this country has been decreasing rapidly. As the hon. member for Weyburn (Mr. Young) said some weeks ago, we will be faced with a famine if conditions do not improve. I should like to ask the government, first, if something is to be done to improve home markets and, second, if something is to be done to bring about the restoration of Canadian trade on the markets of the world.

Mr. VALLANCE: The Prime Minister (Mr. Bennett) has stated that he desires that this bill should be considered in the committee of the whole house. I have no particular complaint to make as to this procedure but I would point out that many representatives of groups which will be affected by this marketing bill have contemplated that it would go before a standing committee of the house. The ramifications of this bill are so varied that it seems to me it should go before a standing committee in order that those who will be affected by the legislation may have an opportunity of being heard.

Mr. POULIOT: As the government has not answered my question I suppose I am to understand that it does not intend to do anything to improve home marketing conditions.

Mr. MOTHERWELL: I would direct the attention of the Prime Minister (Mr. Bennett) to the fact that in the past and under previous administrations practically all bills affecting agriculture have been referred to the committee on agriculture and colonization. This is probably the most important legislation we have had in recent years and, as the hon. member for South Battleford (Mr. Vallance) has pointed out and as I have already indicated there are representatives of farmer groups who have been present in Ottawa for two whole months. It is quite true that they have been staying at a nice place like the Chateau but at great expense and they want to get away. They should be given an opportunity to be heard before the agriculture committee. I thought as a member of that committee I would have ample opportunity of taking part in the discussion. The attitude of the government in connection with this bill would look as though they are trying to conceal something. I understand that the bill is printed and will be placed on the table in a few minutes, but I do not know whether that information is correct. No witnesses will be able to come before the committee of the whole and I think the experts and those who are interested should be heard first before a standing committee also. This bill is supposed to be modelled upon the marketing act of Great Britain, but when that act was passed every opportunity was given to those interested to be heard. I urge the government not to depart from that practice, otherwise the bill will start out by leaving a bad taste in the mouths of those most interested. It is a sort of relative star chamber procedure and from the short talk I have had with the Minister of Agriculture (Mr. Weir), I am sure that that is not his intention. I am committed to the principle of this bill because I took the stand early in the session that if the bill was to be based upon the principles of the British marketing act, I would be in favour of it. It looks as though it was not to be based upon those principles, otherwise the government would be adopting a different attitude.

Mr. BENNETT: After the bill has been given first reading and is standing for second reading ample opportunity will be given to consider whether or not it should be sent to the standing committee on agriculture or considered in committee of the whole. I stated that my preference was that it should be considered in committee of the whole as that is the proper place but if it is desired that it should be considered by the select committee, there will be ample time in which to make up our minds as to how it can be best dealt with.

Mr. MOTHERWELL: The consideration of the bill by the standing committee would not prevent its being considered by a committee of the whole.

Mr. BOTHWELL: This bill refers to the marketing of natural products in Canada and I should like to ask the minister if it is being put through at the request of the provinces or will it become effective before enabling legislation is passed by the provinces?

Mr. BENNETT: Interprovincial business is governed by federal legislation. This bill has nothing to do with the internal business of the provinces, it deals with interprovincial and export business. The provinces may enact legislation to suit their own convenience. The bill contemplates the possibility of the provinces utilizing this board for their own purposes while, if necessity should arise, the provincial boards may be used as agents of the federal board.

Resolution reported, read the second time and concurred in. Mr. Weir (Melfort) thereupon moved for leave to introduce Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provision in connection therewith.

Mr. MACKENZIE KING: Will the minister kindly explain the bill?

Mr. WEIR (Melfort): Some of the fundamental principles of this bill are, first, principles that are embodied in the British Marketing Act, that if a representative number of producers of any commodity have a scheme which they think will be in the interests of the marketing of their products and feel that their numbers are sufficiently representative, they approach the marketing board or the minister designated to administer the act, and submit their scheme. In this respect the bill, like the British act, is flexible; it was felt that flexibility was essential because of the diversity of the problems connected with marketing the products of the primary producers in this country.

Second, it will work in cooperation, where it is deemed advantageous to do so, by mutual consent with provincial boards or boards set up within the provinces, thus making more effective than at present the work of those boards. One part of the bill is different from the provision in the British act in that opportunity is given to investigate the various costs of marketing and to report whether those spreads are considered fair or unfair. The bill is, as I stated at the outset, flexible; it was felt that it should be because of the diverse nature of the problems that are certain to be submitted to it.

Mr. YOUNG: Do I understand the minister to say that if a representative number of the producers of a given commodity had a scheme which in their opinion would be of benefit, they could carry that scheme, any old scheme, to the minister or to whoever is in charge of this board and have it imposed upon all the producers in Canada?

Mr. WEIR (Melfort): The hon. member was certainly not listening with any degree of attention or he would not have given that interpretation.

Mr. YOUNG: Would the minister please explain the bill again?

Mr. BENNETT: But not on the first reading.

Motion agreed to.

Mr. SPEAKER: When shall the bill be read the first time? Now. Mr. Weir (Melfort) moves that the bill be now read the first time.

Mr. MOTHERWELL: If the bill is going to be read the first, second and last times right off, I must object.

Mr. BENNETT: The bill will be read the second time at the next sitting.

Mr. MOTHERWELL: What stage is it in now? Is this the first reading?

Mr. BENNETT: The first reading in order that the bill may be printed.

Mr. MOTHERWELL: While I am on my feet I might as well speak on it; it is quite as much in order I think to speak on it on the first reading as on the second.

Mr. BENNETT: There is no debate on the first reading because the bill has not been printed and you cannot debate that which you have not seen.

[Mr. R. Weir.]

Mr. MOTHERWELL: We have had many discussions on first readings though that is not usually the time, but it is the option of the government or anybody else, so far as I understand the rules, to discuss a bill on its first reading even though based on the very meagre information we have and in this case it is very meagre.

Under this bill we are going to have an opportunity—and I endorse this principle—to facilitate the organization of groups in order that they may merchandise and warehouse their own commodities. But if that is applied to all natural products, the government is going to get into some trouble because that raises a somewhat acute issue in the west with regard to the pros and cons of a voluntary or compulsory pool. I would suggest to the minister that he consider the advisability of making different majorities apply to different commodities. For instance, you might have a group of producers completely and entirely organized. They would go out and have a plebiscite where they had grouped themselves together; with their organization comprising the producers concerned over the whole surrounding district who had already become registered, they would be able to put their plan across with comparative ease and the majority called for in a circumstance like that should be I think larger where the opposition to it may not be organized at all.

Mr. SPEAKER: The hon. member is out of order. Standing order 71 reads:

> When any bill is presented by a member, in pursuance of an order of the house, or is brought from the Senate, the question "That this bill be now read a first time," shall be decided without amendment or debate.

Motion agreed to and bill read the first time.

UNEMPLOYMENT AND FARM RELIEF

BILL IN TERMS GENERALLY OF RELIEF ACT, 1933, WITH PROVISION RESPECTING DELAYED RELIEF ACCOUNTS

Hon. W. A. GORDON (Minister of Labour) moved the second reading of Bill No. 42, respecting relief measures.

Mr. MACKENZIE KING: Is the minister going to speak at this stage? I did not notice whether he had risen to speak.

Mr. GORDON: I did not intend to make any observations at the moment.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, the bill to which the house is asked to give second reading is the only measure the government has introduced thus far this session with respect to the relief of unemployment and farm relief, which continues to be the largest question before the country. The bill, as is apparent from its provisions, and as was stated at the time the resolution on which it was based was introduced, is similar to the measure which was enacted at the last session of parliament, the provisions of which measure, however, expire on the thirty-first of this month.

I wish on the second reading to protest again as I did on the introduction of the resolution, against the little time that has been afforded the House of Commons for a discussion of this all-important question. As is well known, the house is to adjourn on Wednesday of this week and it was only on Thursday of last week that the resolution on which this bill is based was introduced. It is to-day, Monday, that we are asked to consider the second reading. After the second reading we shall have to discuss the bill at some length in committee and in order to become law before the Easter recess it has still to pass the Senate and receive the royal assent. If it does not become law before then, the position will be this, that though parliament has been in session now for a couple of months no provision of any kind will have been made with respect to the further relief of unemployment and for the relief of rural distress. In addition to that the government will be powerless to do anything whatever until some enactment is passed to enable it to deal with distress either in rural or urban areas, for the measure that was passed last session and which gives the government power when parliament was not in session to pass by order in council certain measures with respect to relief under the broad heading of peace, order and good government expires on the last day of this month. Moreover no supply for unemployment relief has as yet been voted. The act of last session gave the government moneys up to a certain sum for the purpose of unemployment relief; any portion of that sum ceases to be available with the expiration of the act, and the government will not have at its disposal any other moneys appropriated by this parliament for the purpose of unemployment relief. Nothing could show more clearly the indifference or neglect of the government or its incapacity to deal with this great question of unemployment than the fact that it is possible that this parliament may adjourn in the course of another two days with no legislation whatever enacted which will enable it to do aught for the relief of unemployment.

But serious as that is with regard to the immediate situation, it will be seen to become infinitely more serious when I draw attention to the fact that this delay in bringing down legislation relating to labour problems, and the problem of unemployment relief in particular, appears to be a deliberate policy on the part of the administration. It is the policy which has been pursued from the very beginning of the present parliament, to limit as much as possible any discussion in this house with respect to this great question of unemployment relief. Take the first session, the special session, called for the purpose of dealing specifically with the question of unemployment. Although hon. members came from all parts of the country to be present at that session, the time occupied in discussing relief measures was only fractional as compared with the time taken up in the discussion of matters pertaining to the tariff, and amendments to the National Revenue Act. The session might much better have been termed a session to increase the tariff and give certain arbitrary powers to the Minister of National Revenue, than a session to deal with unemployment. The session of 1931 enacted the Unemployment and Farm Relief Act, 1931; the resolution under which that bill was introduced was not taken up until July 27; prorogation took place on August 3. Take the next session, that of 1932, which enacted two relief measures. The first of these, the Unemployment and Farm Relief Continuance Act of 1932, was not enacted until some time after the act of 1931 had expired. It continued its provisions from March 1 to May 1. It was April 26 before the Relief Act of 1932 was introduced, as I say. The Relief Act of 1932 was not introduced into the house until April 26, although the Unemployment and Farm Relief Continuance Act, passed earlier in 1932, expired on the first of May. That meant that in order to have the discussion over before the expiration again of the previous legislation dealing with unemployment matters the only other time the house was given to discuss the whole question of unemployment relief that year was between April 26 and May 1. As a matter of fact the bill did not pass the commons till May 12. Prorogation took place on May 26. The same thing happened in the session of 1932-33. The Relief Act of 1932 expired on March 31, 1933, the resolution for the succeeding act was not

introduced until February 24, and the third reading passed only on March 27. This year we have a similar situation. The Relief Act of 1933 expires on the 31st instant. It was not until March 22 that the government introduced the bill that is in now before us, and the Easter adjournment takes place on March 28. Hon. members will recall that in one of the sessions to which I have referred the government was so late in introducing its legislation that the previous act expired at the time of the Easter recess and it became necessary later on to resurrect a dead statute, to revive it and give it vitality sufficient to enable it to function and to provide the government with measures for unemployment relief. I submit that when as every one knows the question of unemployment relief is and during the past four years has been the most important of all questions, there should have been provided by the government at each session the fullest opportunity for the discussion of the legislation and of the problem itself, and parliament should not each year have been put in the position in which it finds itself at the moment, wherein if there is to be any legislation in effect at all we are obliged to confine our discussion and our opportunities for obtaining information to the two or three days immediately preceding a recess or a final prorogation of parliament.

I wish to protest next against the paucity of information supplied by the government to parliament and the country in respect to this unemployment problem. If the Department of Labour has one duty above any other at a time like this it should be that of obtaining the fullest possible information with respect to the extent of unemployment. I submit that instead of securing that information the department has evaded every request for full and complete information. I asked the minister on Thursday evening last if he would give us such information as he could get. He admitted at the time that he had not much he could bring down. He brought down some statistics and reports which were tabled on Friday and he brought down some more this afternoon. What opportunity is there in these one or two days for hon. members to acquaint themselves with the information contained in the documents tabled? In the first place only one person can read them at a time. It has been wholly impossible to secure what is needed. As far as the information that the minister tabled the other night goes I have had a glance at it. I thank him for what he has given, but it only serves to illustrate very clearly the fact that the government has not gone to the extent it should in obtaining information on this important subject to place before parliament. I have in my hand the statement the minister presented to the house on Friday night in regard to the disbursements under unemployment relief legislation. The minister has given us very full information on that point. He has told us that the government has disbursed altogether up to March 22 of this year public funds from the dominion treasury amounting to $110,198,273, and in addition that the government has made loans and advances for the purpose of assisting provinces and corporations in one way and another to the extent of $52,927,267. In other words there has been a total payment out of the treasury in direct disbursements and advances or loans of over $163,000,000 up to March 22. But though this has been for the alleged purpose of relieving unemployment the minister is unable to give any figures as to the extent of unemployment at the present time, and except for the first estimate has never given any from the time this parliament came into existence nearly four years ago.

On one of the statements tabled by the minister there is mention of the fact that there are certain sources from which information regarding the number of unemployed could be obtained. The first mentioned is the decennial census. We know that the census, coming once in ten years, would only give the record for one particular period. I submit that at a time like this when a great problem such as unemployment is the most pressing, if need be the government should have continued the services of the census staff and bureau to obtain information on this one problem alone, rather than that this house should be left in the dark as to the total numbers of unemployed. In the next place the statement tabled says we have the figures from the trade unions, and it gives the figures so far as the trade unions are concerned. I might read what is said there:

> The latest returns tabulated showing the volume of unemployment in trade unions is that covering the situation as at January 31, 1934. Returns for this date were received from 1,728 local unions representing approximately two-thirds of the total number of local unions in Canada. These organizations reported a total membership of 149,630 of whom 31,695, were unemployed, or a percentage of 21·2. This figure compares with 25·5 which was the percentage of members unemployed on January 31, 1933.

But the minister knows very well that the trade unions represent only a small portion of the total labour of the country and that as far

as unemployment is concerned, it is less in those trades that are organized than in other trades. In giving to parliament only the figures that come from trade union sources the house is being completely deceived as to the probable total extent of unemployment. As I say, it is in the unorganized trades that unemployment is felt to the greatest extent, while it is in the organized trades that work, as it becomes available here and there in industry, is found for the membership of the particular unions concerned. So these figures, instead of being helpful, really are of little service. It is true that the practice of gathering these figures goes back to 1916, so apparently we have not to thank the minister even for opening up that source of information.

That seems to be the only source of information from which figures are quoted. Mention is made of another source, namely the unemployed applicants registered at the offices of the employment service of Canada. But no figures are given the house as to what the numbers are. I think that return ought to have been made in detail, because it would have been a further index as to the number of unemployed. The only other source referred to is given as the returns available under the operations of the federal unemployment relief act. And here apparently there are no returns available, or if there are they have not been made available to the House of Commons. It is here that I wish to direct my criticism most pointedly to my hon. friend and the Department of Labour. While the government has spent $110,000,000 in cash and has advanced in addition half that amount in bonuses or guarantees in order, so it is alleged, to deal with unemployment, the minister responsible and his department have not attached to the various grants they have made a condition obliging those who received relief, whether they be provinces or municipalities, to make any return to the government as to the numbers of unemployed in their particular areas and districts.

The minister's statement, which I assume was prepared by an officer of the department and not by the minister himself, goes on to say:

> Requests for the figures showing the total number of persons unemployed in Canada are being constantly made, and much thought has been given to the subject of devising a practicable scheme for collecting such data. However, the cost of setting up and operating machinery that would be competent to produce continuous, authentic and comprehensive data has been deemed to be prohibitive, but the right honourable gentleman, the leader of the opposition, may rest assured that if he can suggest any practicable scheme of securing such information, his suggestion will receive most sympathetic consideration.

If that was written by an officer of the department, and if I were inclined to be critical, I would say it was a piece of impertinence for any officer to send a statement of that kind to this parliament. More than that, I think it is a bit of a reflection on the minister himself when an officer of his department ventures to take it upon himself to say that suggestions made in parliament will receive consideration by the department. That reply, if it is to be made at all should be made by the minister himself. It is not for any civil servant to tell a member of parliament, let alone the leader of one of the parties in the house, that suggestions which he may make in parliament will receive consideration.

May I point out the additional special pleading which this document contains:

> Even in the mother country, where an old established scheme of unemployment insurance, applied to industry on a very wide basis, is in operation, the total number of persons unemployed in that country can only be estimated.

That was not what I was asking the Department of Labour to furnish this House of Commons with. I did not ask for information as to what is being done in the old country. If there is any statement of that kind to be made, the minister can make it in apologizing for his officials and his department, but even the statement as it appears reflects, to my mind, upon the government. If it has been possible in the old country to furnish estimates, and if the practice in the British parliament is to have the Department of Labour furnish estimates to the House of Commons, at least this House of Commons should have had estimates as well. We have not had even an estimate as to the number of unemployed in the different parts of the country.

This statement says that if the leader of the opposition will make a suggestion it will be considered. I have made several suggestions. At the special session of 1930 I made a suggestion which I have repeated at each succeeding session of this parliament, one which, if it had been carried out, would have given this parliament the fullest information as to the numbers of unemployed in the country. That suggestion was that the administration of all unemployment relief moneys expended by the federal government should be under the direction and control of a national commission that would be broadly

representative of all those organizations in this country that are most interested in seeking either to obtain relief for their membership or fellow citizens or to see that no one in this land goes without employment if it is possible for employment to be provided. I say that suggestion has been made at every session, and if it had been carried out there would have been available at the present time, as well as during previous sessions, a record as to the total number of unemployed by municipalities, by provinces and for the dominion as a whole for the different years since this condition of unemployment became so serious. There is no reason, indeed, why something in the nature of a permanent register might not have been started four years ago, from which it would have been possible to ascertain who are the individuals who have been unemployed and just how long they have been unemployed.

That is not the only suggestion that has been made. The other night I asked the minister to obtain information from the bureau of statistics. The returns that have been brought down do not include any information from that bureau. The minister himself mentioned the bureau of statistics as one of the sources from which information could be obtained. In speaking on the address I made use of some figures obtained from the bureau of statistics to indicate the number of those who were obtaining work through government relief moneys. That is a source from which a good deal of information might have been gathered. I used the figure to indicate that it was possible to make up an estimate as to the total number of unemployed in Canada, but the minister has not given us any of that information, and it seems to me there has been a deliberate intention to conceal it, or to prevent the officials of the departments of government from gathering the necessary information. I want to repeat the request I made of the minister the other night, that he or the government ask the bureau of statistics to use its staff for the purpose of trying to ascertain the number of unemployed persons in Canada, and in particular, in its statistics on employment, to distinguish between those receiving employment out of public moneys voted for purposes of providing relief through work and those being employed by private industry in the natural course of business. To get a correct impression of the extent of unemployment in the country there should be included not only all those who are actually without work at all but also all those who are on work provided out of funds which have been voted by parliament. That latter information is in the offices of the bureau of statistics at the present time, and I would ask the minister to endeavour to have his colleague the Minister of Trade and Commerce (Mr. Stevens) see that it is compiled in the form of a special statement which can be given to parliament, so that it may be made available to the members of this house before the prorogation of this session.

Now, Mr. Speaker, I wish not only to protest against the little time that has been afforded for the discussion of this question, the lateness of the time at which this legislaion is being brought in having relation to the time when the relief measure expires, and also the paucity of the information placed at our disposal; I wish to protest very strongly against the legislation itself. The bill which we have before us contains all the objectionable—I will use a stronger word and say reprehensible—features and provisions of previous legislation to which very strong objection has been taken on this side of the house.

This is the only legislation the government has offered for the purpose of affording relief to the unemployed. As it is an unemployment relief measure I presume that, at this stage, hon. members on this side of the house would not be justified in opposing the second reading, for we are not opposed to the principle of granting relief where that is absolutely necessary to cope with unemployment, though we do not favour the dole as a policy. We are however very strongly opposed to some of the provisions in the measure now before us, and the position we take to-day in opposition to them is as strong as it was on former occasions. Nay, Mr. Speaker, I would say our views are very much stronger, because these provisions, in the present year, have a significance which they could not have had in previous years. This is a year in which, in all probability, there will be a general election, and the powers which this House of Commons is asked to confer upon the government at this time are powers which, if the measure were accepted the government would possess at the time of such election. I submit that the government has no right to take advantage of its majority to secure for itself arbitrary powers which it can use when parliament is not in session, and which may be exercised during the period of an election without the knowledge even of the electorate. Under the guise of seeking to obtain relief for the

unemployed it would be free to exercise these powers as it pleased.

May I point out the provisions contained in the measure. Let me say first of all that the main purpose of the bill is to take from parliament and turn over to the governor in council all powers with respect to relief measures. Its provisions make clear that its underlying principle is to take the question of unemployment relief entirely away from parliament, and in its entirety to turn it over to the governor in council. In this measure the government attempts to use parliament simply as an instrument for giving power to the governor in council, to act as he pleases both as to legislation affecting unemployment and as to the expenditure of public moneys in connection therewith. One provision is that when parliament is not in session the governor in council shall have power to legislate with regard to peace, order and good government. I need not remind hon. members that that provision was fought very strenuously in 1932 both by the official opposition in parliament and by other groups, and it was carried only after closure had been resorted to on two occasions. That particular provision was dropped in the following year. The bill brought down the next year dropped the provision giving to the governor in council the power to legislate with respect to peace, order and good government. May I ask this question: Where is the justification at this time for giving to the government that power which in two sessions out of four of this parliament it has not been necessary to grant? What makes it necessary to give such power to-day? Hon. gentlemen opposite tell us that we are getting out of bad times, that the emergency phase of the situation is nearing an end, that times are greatly improved, that men are being employed, and that there is reason to congratulate the country upon its progress. If that is so, and taking hon. members opposite at their own word—I do not admit, by any means, that they are properly describing the situation—how can they justify asking this House of Commons to give power to the government to enact measures by order in council with respect to peace, order and good government?

As I pointed out before, when dealing with this particular phase of the matter, the powers sought by the government on former occasions, and which they are seeking again, are greater than those which were given by parliament to the government during the period of the great war. When Sir Robert Borden was Prime Minister he never asked for power to legislate generally with respect to peace, order and good government. He asked for those powers to be enforced only in the event of actual invasion of the country. In his time, which was a time of war, there was no effort to give the government the powers the present government are asking to-day in a time of peace. Further than that, when Sir Robert Borden came before parliament and asked for large powers with respect to the expenditure of public moneys, he never asked for a blank cheque, another power being again asked for to which I shall refer presently, but he asked for specific appropriations definitely limited to certain amounts, always keeping before him the fundamental principle of the right of the commons to control the total expenditures of the country. This administration however is asking us to go beyond the powers which were granted a government in time of actual war. This government is asking now for the powers I have described, at a time when the country is on the eve of a general election. I say that this house should not be asked to give any such powers to the administration, and I hope that the minister in charge of the measure and the ministry in general will, when the bill reaches the committee stage, give this phase of the matter further consideration, and that they will be prepared to amend it.

The other provision to which I have just referred is that respecting the money which this house is to be asked to vote for unemployment relief. On former occasions we objected very strenuously to endorsing any principle whereby the government would be given a blank cheque and be enabled to expend any amount it wished. I must say that on former occasions our protests did carry some weight with the administration, because at the last session of parliament they conformed in an ostensible way to the general practice in this house in the voting of supply, in that they named a definite amount. In connection with unemployment relief, we have never sought to restrict the ministry in any way in connection with the amount to be made available, so long as a definite amount was named, and some reasonable ground given for naming a certain sum. Our position in that regard remains the same to-day. At the last session the government did fix a definite amount, and there was no trouble at all in having an immediate vote of that sum. It is indicated in this bill that the accounts for 1933-34 are likely to exceed the total amount voted. I may say that so far as those excess outlays are concerned, I do not think there will be a moment's hesitation on the part of the opposition in seeing that the excess outlays are made good at once if the accounts have been properly audited. I do say, however, that after having conceded the principle that

the appropriation should be definitely specified the government should not revert to-day to the practice of asking parliament to grant them a blank cheque a practice which was so strongly condemned not only in this House of Commons but throughout the country.

There is a further reason why money should not be voted in that way. On Friday reports from the auditor general showing where these moneys have been spent, and how distribution has been made between the municipalities and the provinces, were laid on the table. These reports show that much of the money was wasted, or worse than wasted; it has been distributed in ways for which even the municipalities and provinces cannot account. The minister will recall that at the very first session of this parliament I urged as strongly as I possibly could that in connection with all federal moneys a provision ought to be made that the moneys expended out of the federal treasury should be properly audited, and that any agreements with the provinces or municipalities should contain provisions which would ensure the auditor general, a servant of this parliament, the right of auditing accounts relating to federal moneys.

What was the position taken by the government? The Prime Minister said that to suggest anything of the kind was an insult to the provinces. Not only did he make that reply on one occasion but he made it on two or three. What has happened in the interval? In the interval the waste of public moneys has been so considerable that even the government itself has found it necessary to retrace its steps, and now that the money has been spent and the vouchers are no longer to be discovered anywhere the government passes an order directing that the very thing be done which it said at the begininng of the expeditures of these moneys would be an insult to the provinces and the municipalities.

Let me read from an order in council which was passed only a few days ago, this very month, on March 12, 1934. After reciting that the auditor general has pointed out that the need has arisen in connection with the auditing of provincial accounts, the order in council goes on:

> And whereas the audits and investigations which have been made and reported upon by the auditor general, in pursuance of the directions hereinbefore recited, have disclosed the necessity for a more extended audit of the accounts relating to relief expenditures if the interests of the dominion treasury are to be adequately safeguarded;
>
> Now therefore His Excellency the Governor General in Council, on the recommendation of the Minister of Labour, is pleased in the exercise of the powers so conferred by the Relief Act, 1933, to order and doth hereby order and direct the auditor general to conduct such audit of provincial and municipal accounts in connection with unemployment relief expenditures as he deems essential to safeguard the interests of the dominion treasury.

That order in council was put through on the twelfth day of March, 1934. That gives to the auditor general to-day a direction which we said should have been given in 1930, and it is given after it is no longer possible for the auditor general to begin to safeguard the public treasury because the public treasury has been literally looted, as will be seen from the way in which these moneys have been spent without any proper auditing.

I have not time to begin to read what the auditor general has told the government. The Minister of Labour mentioned to us the other evening that the auditor general had made a few tests here and there within the last year just to find out whether the expenditures were in order or whether money was being wasted. The minister would have had us believe that in that way the government had been complying with some form of audit. But the interesting fact is this, that while the minister laid on the table reports from the auditor to the government relating to every province in the dominion, with the exception of Prince Edward Island with respect to every single province the auditor general makes the same statement, namely that these tests show that the audit made was not sufficient to protect the public treasury, and that there have been all kinds of waste in connection with the money that has been disbursed by this government for unemployment relief. In the face of that the government now asks us to give them again a blank cheque to spend whatever sums of money they desire to spend for purposes of unemployment relief.

Let me, because I think we ought to have this on record, cite a few of the instances which the auditor general has given to this parliament of the way in which relief moneys have been expended. I am not going to name any province but I shall include mention of all except Prince Edward Island from what I have here as appearing in the auditor general's reports to the government. I start with what is said of the auditing in one, I might say that they all contain this statement:

> It is apparent from the details of overshared expenditures stated in the annexes hereto that this audit was inadequate and therefore did not safeguard the interests of the federal treasury. In view of the situation disclosed in the towns which were visited by your representative I

am of the opinion that a detailed examination in the other municipalities of the province would disclose additional improper charges to joint account and that, with a view to discovering and adjusting these, an audit of all municipal unemployment relief expenditures since the inception of unemployment relief in those municipalities where the shared expenditure exceeded say $5,000 in any one year, should be made locally under the direction of the province.

That statement that an audit should be made in every province and in all municipalities occurs with respect to every province, also the statement that in no case has the audit been equal to what is necessary to protect the federal treasury.

What does the auditor general go on to say in his report by way of illustration? The report shows among other things:

Improperly included in amounts shared by federal government were costs of maintenance of highways, administration expenses, including salaries of officials. At page 23 is listed an item of $42,000 as having been improperly shared by federal government.

Families were assisted under land settlement relief who would not otherwise have been in receipt of direct relief.

Relief was not restricted to employable persons, but granted to aged and infirm.

That is the case in one province. Take the next province. The auditor general says in regard to it:

Provincial Audit:

Inquiries made at the various municipal offices visited by your representative elicited the information that the unemployment relief records had never been subjected to local audits by provincial officials.

No audit of any kind even by provincial officials. He goes on:

I am convinced that the provincial audit has not protected the interests of the federal treasury. . . . The province did not keep any accounting records of the direct relief transactions leading up to the claims transmitted to the federal government.

Because of the absence of properly detailed accounting records showing the cost of a specific authorization and because the payrolls and vouchers examined were not identified by officials at the sites of the works with the specific projects on which labour and materials were expended it was impossible to do more, in the course of the examination, than to see that the vouchers and payrolls had been checked and that they represented, only, expenditures incurred within the geographical limits of the schedule to which they were charged; furthermore it was impossible for your representative to satisfy himself that all the credits and refunds applicable to expenditures shared by the federal government had been suitably credited.

The accounting records of direct unemployment relief expenditures maintained at the municipal offices visited by your representative were in all cases inadequate. They were generally designed by those who operated them, and lacked any form of internal check. Officers of municipalities stated that they received no assistance from the province in the form of accounting directions.

What were the results? Here are only a few of them. I have had a chance only to glance at these documents since Friday night. What they would show if gone into in detail I hesitate to say. But here is a further report with respect to that same province:

Construction of fences and highway guards, not referred to in federal authorization, were included when provincial claims were submitted for federal contributions.

Excessive rentals for machinery were submitted for federal contributions.

Items of superintendence and truck hire were included as labour.

Direct relief was not restricted to employable persons.

In the town of ——— the investigator found relief orders and merchants' accounts had been destroyed.

I come to a third province. The auditor general speaks of the brief inspections which made it impossible in the little time he had to make anything like what was required in the way of investigation, and he is of the opinion that "a thorough audit of the details of the accounts of all provincial relief works projects would disclose inaccuracies further than those reported herein." But what are those he does report in this particular province?

Gasoline tax paid to the province submitted in accounts for federal contribution.

No inventory available of material and tools remaining after relief work on projects completed, the cost of which equipment had been shared by the federal government.

Department of roads did not take advantage of cash discounts offered by merchants.

Excess charges made for rental of machinery.

Duplication of charges took place.

Certain overseers paid at rates in excess of those prescribed by provincial government.

Sixty-two paylists, amounting to $96,000, could not be verified because vouchers not available.

Pay of labourers signed irregularly by persons other than the labourer.

Pay of as many as 25 persons signed by one person.

Many signatures on paylist appear in same handwriting.

In one case signatures of 29 labourers did not appear on paylist.

Irregularities in paylists revealed that some of the men did not receive amounts for which they signed.

In some cases wages and travelling expenses paid twice to supervisors.

May I remind the house that this represents the inspection of only one man sent down to make a quick test inquiry into the accounts in certain localities. It does not

begin to represent any comprehensive audit or to indicate what would be shown if the auditor general's department were to begin to audit all these accounts.

Mr. MALONEY: May I ask to what province my right hon. friend is referring?

Mr. MACKENZIE KING: I said at the outset that I was not naming any province. I am not discriminating at all. My hon. friend is free to bring up any province he sees fit. He can read the return just as I did. The point I am making is that this is all federal money—

Mr. GORDON: Not all federal money.

Mr. MACKENZIE KING: It is only federal money that is spoken of here. There is not a reference here to moneys that were not federal moneys; they may have been used in association with provincial and municipal moneys but it was federal moneys that were being audited in this connection. Let me give a few more instances. The report says:

Municipal methods of auditing in several cases insufficient to safeguard interests of dominion treasury.

In some cases no allowance made for residual value of equipment for which government asked to share complete cost.

Damages caused by an explosion on relief work reported as material.

Rental charges in several cases were excessive.

Gasoline tax paid to province included in amount to be shared by federal government.

Wages paid for maintenance work on city streets, et cetera, submitted for federal contribution.

Defective paylists were submitted.

Part of salaries of civic officials and other administrative expenses irregularly included for federal contribution.

It is impossible to audit the expenditure of funds for direct relief advanced by municipalities to welfare societies because complete records were not kept.

Relief orders not signed by recipients of relief.

The report continues:

This audit of relief work expenditures was not adequately protective of the interests of the federal treasury in respect to timekeeping; compilation of paylists, and payment of labourers; indemnities paid to injured relief labourers, which indemnities were treated as wages; issues of municipal stores to the relief jobs; claims for contribution to the cost or maintenance of municipal equipment having a residual value;

And again:

Funds were used for undertakings other than those authorized.

A paylist was claimed for twice by the city and shared twice by the federal and provincial governments.

[Mr. Mackenzie King.]

City did not pay any premium to workmen's compensation board for protection against injuries to labourers on relief work and that compensation for injuries was reported as wages.

Excessive claims were made for rental of municipal machinery.

Gasoline tax paid to province submitted in accounts for federal contribution.

The report reemphasizes the inadequacy of the audit to protect the federal treasury. There is this general statement:

It is needless for me to state the opportunities for misappropriation and for improper application of relief moneys, and other irregularities, which were made possible when (i) funds received for specific purposes were not kept separate from other moneys; (ii) there was a total or partial lack of adequate accounting records and of supporting vouchers; (iii) there was not restriction on the destruction of documentary evidence of expenditures, and (iv) when proper audits were not carried out.

This is all information which the auditor general, as a servant of parliament, is giving to parliament for its guidance with regard to what it may do in the future, as well as to what it may seek to remedy of the past.

The report in connection with another province states:

In some cases important information shown on the municipal statements is not carried forward to the statement made out by the province and there was no evidence on the accounts examined by me that any audit had been made other than the ordinary office check. The municipal auditors do not make any additional audit to safeguard either the province or the dominion and no inspectors' reports were upon any of the files examined by me.

The report goes on to speak of the instructions of the secretary of the unemployment relief fund not being supported by any vouchers and not giving sufficient information to enable the check of the proof of payment. It is then pointed out:

It is noted that a systematic program of audit was not carried out by the province.

Particulars are as follows:

Costs of administration were included in amounts submitted for federal payment.

Tax on gasoline paid to province was submitted for federal payment.

Item for supplies, for which catering firm had paid province, was included in accounts submitted for federal payment.

Payments for compensation on account of injury or death of workmen were included in the accounts of one city.

Purchase of land amounting to $21,000 was included in accounts of one city.

It continues:

In some municipalities the indigent is required to do a certain amount of work for the municipality and by doing so is replacing the labour ordinarily charged to other municipal

works. The relief given in payment for this work is charged to direct relief and the municipality is thus receiving assistance for expenditures which are properly chargeable against the general funds of the municipality.

The report shows:

Considerable items for wages of regular city employees were submitted in accounts for federal payment.
City administration expenses were also included.
Claims for reimbursement by one municipality were considerably in excess of the amount paid.

The report in connection with another province states:

The interests of the federal government are not protected by the provincial audit of municipal direct relief expenditures.

Among other things the report shows:

Salaries and other administration expenses were shared by the dominion.
That equipment for the new unit of a university amounting to $18,000 was included in the certificates of expenditure.
That large amounts were shared by the dominion on trans-Canada highway operations prior to the coming into force of the agreement under the 1931 act.

The report in connection with another province states that in the interests of the dominion the audit of the provincial records leaves much to be desired. It continues:

It was difficult to conduct a satisfactory audit because of the nature and condition of the records in most of the offices examined.

The report gives further particulars as to why this statement is made.

The report on expenditures in another province states that the accounting records of the provincial government are not intended to contain the details requisite for the conduct of an audit of relief expenditures by the federal government. The report shows among other things that:

The dominion has contributed to costs of administration.
The profits from boardinghouse operations on relief projects have not been shared with the dominion.
The refunds on seed grain advances have not been shared with the dominion.

The report in connection with the last province states:

To audit direct relief expenditures was a task almost impossible of accomplishment because of failure by the province to segregate suitably expenditures by means of proper accounting records, and to earmark the corresponding vouchers respectively applicable to the various direct relief schemes. It was also made difficult because in many cases expenditures were regarded by the federal government as applying to one fiscal period, whilst the province applied the same expenditures to the subsequent fiscal period, or vice versa.

It goes on to say:

—it was impossible to ascertain from them whether or not full credit had been given to the federal government for its share of recoveries.

And again:

—the vouchers for entries therein were not appropriately arranged for checking to the accounts of the respective projects.

And again:

—the provincial audit of provincial and municipal relief expenditures does not fully safeguard the interests of the dominion treasury.

Among other things the report shows:

Administration expenses were included in amounts shared by the dominion;
Also payments to persons not entitled;
Also equipment of camps;
Also profits on provincial supplies held in stock by the province.

As I have said, this is simply a gleaning from a cursory glance at the reports which the hon. minister presented to this house on Friday night last. So far as the audit itself is concerned, as the minister said on Friday night, it is merely a test here and there, at random, by one or two officers of the auditor general's department. They all tell the same story, that money has been spent out of the treasury without any regard to safeguarding the treasury or the interests of the public. Be it remembered always that every dollar of this money is so much in the way of increased taxation. If people wish to know why it is that they have had to pay a tax on sugar, if they wish to know why it is that the income tax has been increased, if they wish to know why it is that the sales tax and other taxes have been increased, they will find one of the reasons in the report of the auditor general which tells exactly how relief moneys have been spent by this government under the blank cheque authority which the government has sought and obtained from its followers.

I should like to refer to what was said in this house in 1930 when the government started this policy of contributing vast sums with no provision for a satisfactory audit. At that time I asked, nay I implored, the Prime Minister to adopt some system of auditing. First of all I advocated the appointing of a commission to supervise all these expenditures of federal monies and stated that such was the method which a previous government had adopted at the time of the great disaster in Halifax. On that occasion public moneys were voted and placed in the hands of a commission which had its own board of auditors and which superintended carefully all expenditures. There were no come-backs with regard

to the way in which that money was spent because proper provision was made in advance. The Prime Minister rejected my suggestion. It has been said that the opposition does not seek to cooperate with the government, but I would point out that in the case of every suggestion we have made we have received nothing but rebuffs from the administration although the suggestions which have been made have all been shown through the course of time to have been of a constructive and helpful nature. I should like to quote from Hansard of 1930, page 164. Speaking to the Prime Minister, I said:

If there is one time above another when the government should be careful to safeguard expenditures and to prevent extravagance and waste it is when this parliament is trying, with public money, to end unemployment and to use every cent to the advantage of those who are unemployed. That being the case I submit again that hon. gentlemen opposite find some means whereby all the moneys that are spent out of this appropriation may be audited to the last degree possible by the auditor general, who is an officer of parliament itself.

Elsewhere, at page 172, I said:

Before recess I handed my hon. friend for his consideration—because I thought that was the most courteous and effective way in which to deal with the matter—a suggestion as follows: I suggested that there should be incorporated in this bill some such clause as the following:

"Where any moneys are expended under this act by way of contribution to provinces, municipalities or other bodies, the auditor general shall audit the expenditure made by the province, municipality or other body, and shall report thereon to parliament within thirty days after the commencement of the next session."

How was that suggestion received? I quote the words of the Prime Minister as they will be found at page 173:

How can we depart from a fixed principle, that principle being that this parliament must provide machinery for the audit of public expenditures, but that it cannot follow to its destination every expenditure that is made, involving an interference with the jurisdiction of provincial legislatures and municipal councils and bodies of that character. Are we to be told, because two or three members of this house stand up and complain of a provincial legislature, that therefore we are to insult that legislature by saying that we are to deal with their affairs and not our own? Are we to mind our business or their business?

Again, as reported on page 175, the Prime Minister had this to say:

I will look further into the suggestion made by the leader of the opposition, but I cannot conceive how under our constitution any self-respecting province would expect the dominion government to place upon it what I regard as an unenviable and unnecessary insult by saying:

[Mr. Mackenzie King.]

"Where any moneys are expended under this act by way of contribution to provinces, municipalities, or other bodies, the auditor general shall audit the expenditure made by the province, municipality or other body, and shall report thereon to parliament within thirty days after the commencement of the next session."

Those are only two of the occasions on which the Prime Minister said that it would be an insult for this parliament to direct an audit of the expenditures of its money. A third will be found on page 164, the Prime Minister again speaking:

This parliament has no jurisdiction to interfere with the provinces and the municipalities in the expenditure of their moneys. If that were made a condition I think it would be regarded by the provinces as an insult.

After four years, and after we have had this waste of public money that the auditor general has brought to the attention of the government, we have passed this order in council of March 12, 1934. And why has it been passed? Simply that the government may have something to point to, to enable it to say that it has taken a step to audit the accounts in a way which will safeguard the public treasury, and this after it is too late. That is the very thing they had termed an insult four years ago and the order in council is in the precise terms that were suggested to the government by me as leader of the opposition in 1930. This is done after, as I said the other day, it has become a physical impossibility for the auditor general to attempt, even with a staff as large as an army, to begin to find out how those moneys have been spent. I want to read the directions of this order in council again on top of what I have just given to the house:

Now therefore His Excellency the Governor General in council, on the recommendation of the Minister of Labour, is pleased in the exercise of the powers so conferred by the Relief Act, 1933, to order and doth hereby order and direct the auditor general to conduct such audit of provincial and municipal accounts in connection with unemployment relief expenditures as he deems essential to safeguard the interests of the dominion treasury.

If it is possible to do that in 1934, surely it was possible to do it in 1930, in 1931, in 1932 and in 1933. The way in which this government has wasted the public money on unemployment relief is shocking beyond all words. We have only an indication there of the kind of thing that will be disclosed once there comes, as there certainly will in the course of time, a very full inquiry into the way in which those public moneys have been used. The point I wish to stress at the moment is that with this information before us, surely the house is not going to give to this administration power to issue from the public treasury

any funds it pleases under a blank cheque given by the House of Commons: and that particularly, as I have already said, in a year in which there is likely to be a general election.

But those are not the only features of the bill which are bad. It has all the reprehensible features of the previous legislation but it has something reprehensible in addition that was in none of the other acts. We are being asked not only to give the government blanket authority to legislate with respect to peace, order and good government and to give them a blank cheque, but to give them the right to enter into commitments that will extend over a term of years. In other words they are asking for authority to make contracts in connection with public works and buildings and to commit the country to the expenditures involved not merely for the period of the next fiscal year but for a series of years thereafter. That, again, is wholly subversive of the rights of the House of Commons in its control of expenditure of public moneys and of its duty in the protection of the public in the matter of taxation. That clause should be struck out and I hope, when the bill comes into committee, the minister will see his way to do so, because he cannot begin to defend it.

In connection with this relief legislation, every single canon that exists with respect to the control by parliament over expenditure of public money has been violated, and set at naught by hon. gentlemen opposite. That wrong is being repeated in the bill before us. In the first place, by asking for this blanket authority to legislate and to spend, they are taking away from parliament altogether its functions in the appropriation of public moneys. Where they have come to parliament and asked for moneys, they have not brought in an estimate or given to the house any grounds on which an estimate might be based; they have not limited their appropriations to specific and definite items which, as no one knows better than does the Minister of Finance (Mr. Rhodes), is the proper way to proceed in asking the House of Commons for moneys for any purpose. Those principles have all been set at naught. In the face of results which we now can see were inevitable, we are being asked to repeat the same kind of action for another year. I do hope the house will pause before it allows the measure to pass in the form in which it is at present.

I want to make a further reference to the significance of these powers being asked for this year. From the beginning I said that I did not believe the government's idea was primarily that of meeting the unemployment situation as an emergency, that its desire was simply to get power to deal with an emergent situation. I said that I thought they had rather in view what would serve the large financial corporations and the situation with which they would be faced when a general election came on. I think one has only to look at the list of the different uses to which the moneys voted under relief measures have been placed to see how true the statement is that for every dollar there has been spent and gone to labour for unemployment relief, a much larger sum has been spent or guaranteed in the interest of some financial corporation. Under this relief measure the government took power first of all to fix arbitrary values of securities held by insurance companies. What has that to do with the relief of unemployment? Yet it is under this broad power to pass orders in council with respect to peace, order and good government assumedly for the purpose of relieving unemployment that action has been taken. The government has advanced moneys to the provinces, a proceeding which of course was quite right, but in that case we should have had a bill introduced especially for that purpose and the agreements with the provinces should have been placed before parliament for its approval. The government has advanced money to Newfoundland under this measure. How can the government justify the advance of money to Newfoundland under a measure enacted by parliament for the purpose of affording relief to the unemployed?

Mr. RHODES: I am sure my hon. friend does not wish to misstate the case—

Mr. MACKENZIE KING: No.

Mr. RHODES: No money was advanced to Newfoundland.

Mr. MACKENZIE KING: Well, a guarantee was given.

Mr. RHODES: Quite so.

Mr. MACKENZIE KING: I thank my hon. friend for correcting me. "Advanced" was a slip; it was guaranteed. A guarantee was given to Newfoundland as a means of aiding unemployment in the Dominion of Canada. The next thing is that the banks have been guaranteed for advances made by them to the wheat pools. Certain banks have been given guarantees for what they have done for some other bank. Moneys were advanced to the Canadian Pacific Railway, and the banks have been guaranteed with respect to a $60,000,000 loan to the Canadian Pacific Railway.

Mr. EULER: And Beauharnois.

Mr. MACKENZIE KING: Yes, and in connection with outlays of millions upon Beauharnois the banks have again been guaranteed. There were purchases of railway ties. Finally we find among the orders in council that have been laid on the table, though not yet discussed, a guarantee given with respect to advances to the Algoma Steel Corporation for the manufacture of steel rails for the Canadian National Railways. I wonder how the government is going to justify that under its relief measure. The Canadian National gives a contract to the Algoma Steel Corporation, and under these relief measures certain advances to the Algoma Steel Corporation are guaranteed by the government. I should like to know in the face of all this, and it is far from being the whole story, if I am not right in saying that the government has been using this legislation to further the interests of certain financial corporations rather than in the interests of the unemployed.

Mr. MANION: That was done entirely for the relief of unemployment in Sault Ste. Marie.

Mr. MACKENZIE KING: My hon. friend says it was done entirely for the relief of unemployment. We will have a discussion on the order later, but it will be interesting to discover just how advances to this corporation had to be guaranteed by the government to relieve the unemployed.

Now that we have before us these instances of the kind of thing that has been done under the powers given with respect to peace, order and good government and under this blank cheque authority, I ask this House of Commons, is it fair and just to renew those powers to the administration in this year 1934, powers which were given by the house to the government as powers solely to meet an emergency? That emergency having existed now for four years, is it just and fair to continue those powers in this year when in all probability this house will be dissolved before parliament has another opportunity to consider how these powers are to be or have been exercised? This is a year in which in all probability we shall have a general election. With this record of the past four years, what is the government not likely to do if it is to have a free hand to pass any order in council it pleases during the period of a general election, has the public treasury at its disposal to draw therefrom any sums it may wish in the name of unemployment relief? Surely there is such a thing as fair play and justice in matters of government, even as between political parties, to speak of the least of all the considerations. Certainly in the interests of the country it is desirable that this government should not be given these powers to the extent they are asking for them at this time.

I heard an hon. gentleman opposite this afternoon, when mention was made of the arbitrary powers which the legislature of Alberta is about to take in connection with a wheat marketing measure, powers that practically give it absolute authority to control wheat production and sale in that province and with respect to some other matters, ask what about the Special Powers Act of British Columbia. I think that was a pertinent question. I received on Saturday a communication, which has since appeared in the press, which I will read to the house:

Victoria, B.C.,
March 24, 1934.

Right Hon. W. L. Mackenzie King,
Ottawa, Ont.

A mass nonpartisan meeting of protest held in Victoria, B.C., against Pattullo's special powers act appeals to you as Liberal leader to intervene for the preservation of civil rights and liberty in line with well known Liberal principles.

C. S. Quainton,
Chairman.

That is the Very Reverend C. S. Quainton.

Mr. COTNAM: C.C.F.!

Mr. MACKENZIE KING: What I have to say of that message is that the time to have called mass meetings to protest against arbitrary action on the part of the executive was four years ago when we, of the Liberal opposition in this house sought to arouse public opinion concerning action calculated to divest parliament of its powers of legislation and of the control of public moneys. For four years we have been steadily protesting against parliament being robbed of its authority in the matter of legislation and of the control of expenditures and taxation. Now when a provincial government undertakes to assume certain exclusive powers to meet a definite situation immediately a mass meeting is called to protest against an act of that kind. My reply to that message was that if there had been an infraction of provincial rights which demanded intervention it was the duty of the government of the day to intervene, that the leader of the opposition in the dominion parliament had no authority whatever to intervene in any provincial matter, and as far as he was true to the traditions of Liberalism in connection with relations between the provinces and the dominion he would allow the prov-

inces to manage their own affairs and not attempt to intervene in them one way or another.

But what I want to ask is, what is going to become of our country if the government of one province after the other, in addition to the dominion government, undertakes to establish some form of complete control over public moneys and the right to deal with public resources as it thinks best? I deem it important to direct the attention of the house to what I regard as a very serious situation, namely that the example which has been set by this federal government and followed during the past few years has been such as to occasion provincial governments to adopt a like course. We have now at least two of them, and undoubtedly there will be more in the course of a little time—the same, I believe, is true of the government of Saskatchewan—making three up to the present, all beginning to emulate this government in the matter of taking away from parliament, in this case the legislative assembly, powers intended by the constitution to safeguard the rights and liberties and moneys of the people.

Mr. GARLAND (Bow River): Is it possible that the suggestion to do so might have come from this government?

Mr. MACKENZIE KING: Well, that my hon. friend will have to judge for himself. What I do say is that once the public becomes accustomed to a certain method of procedure the seriousness of it ceases to be as apparent as it otherwise would be. I well remember that when this legislation was first introduced in this house hon. members were aghast, even hon. gentlemen opposite, and would not have countenanced it for one moment except that they believed there was an emergency which might be very serious, and which after all might only last a very short time. They were prepared to grant these emergency powers for one year, then they granted them for a second year, then for a third year, and for a fourth. What at first was given only to meet an emergency has come now to be a regular practice. Having come to be a regular practice by this government, it has come in virtue of its action and example to be assumed by provincial governments that such is the way they also should proceed to deal with their problems at this time. I say that raises the largest question that has ever been raised in this country. After all, Canada and other parts of the British Empire remain in the world to-day the one stronghold of the liberties of the people preserved by their parliaments and legislatures. If this country begins to go as Europe has gone, and Asia has gone, and some other parts of the world appear to be going, what is going to happen to the rights and liberties and freedom of the people of Canada? I direct attention to that large issue at this time because I think it needs to be reemphasized. I raise it in connection with this legislation because it comes concretely before us in that connection.

Apart from all that, I say about the proposed enactment itself, that it does not contain one single line of a constructive policy. The relief measure suggested is a continuance of the dole, that is all in the way of policy the government has to offer, notwithstanding that it came into office on the promise that it was going to relieve unemployment and give work, not doles, to everyone who was ready and willing to work. So, Mr. Speaker, while we are not going to take exception to the second reading, which approves of the principle of giving relief where relief is a necessity, we will reserve to ourselves the right to ask the government to amend some of the clauses of this bill before it gets through the committee stage.

I want to say just this further word. While the legislation before us offers nothing but a continuance of the dole as a means of coping with the problem of unemployment, here when we have come to the fifth session of this parliament there is nothing of record as to what really has been achieved by the administration except this statement that $110,000,000 has been spent, and another $52,000,000 advanced in loans or guarantees and that, by the way, obviously does not include the $60,000,000 guarantee to the Canadian Pacific Railway Company. There has been no national policy of any kind with respect to relief; there has been no national recovery plan. No commission, not even a department of government, has been gathering data that would have been of infinite service to parliament in dealing with the situation to-day, and in dealing with the unemployment insurance problem which will have to be dealt with in the future. There has been nothing but this vast expenditure, and the vast waste which I have quoted from the reports of the auditor general.

Hon. PETER HEENAN (Kenora-Rainy River): In his concluding words, Mr. Speaker, the right hon. leader of the opposition (Mr. Mackenzie King) pointed out that this relief measure is a continuance of the dole. At this stage might I ask why, after almost four years of Conservative government, it should be necessary to bring in a relief measure. I think this is an appropriate time to ask what

this government has done, if anything, towards eliminating the problem of unemployment. We all know that several factors contribute to employment. I think it will be agreed that one great factor is international trade; if we have international trade and our factories are working, men are employed instead of unemployed. Another great factor is the purchasing power of the people. If men earn wages and have money to spend they can do much to relieve unemployment. If the purchasing power of the people, however, is reduced by wages being lowered or by high taxation, so that men have very little to spend, the unemployment situation is only aggravated in this or any other country.

In examining the record of this government of necessity we must compare it with the record of the government which it displaced in 1930. I need not remind the house that during the regime of the Liberal government the trade of Canada gradually increased until in 1929 it amounted to $2,654,000,000, in round figures; that between 1926 and 1930 the Liberal government reduced the national debt of Canada to the extent of about $250,000,000, and that during the same time it reduced taxation at the rate of about $118,000,000 annually. Under the regime of the late government we had the largest number of persons employed in Canada since confederation, and those workers received the highest wages ever paid to workers in this country during peace times. The working population, with increased wages and therefore with increased purchasing power, were enabled to maintain a fairly high standard of living and in turn that enabled the railways to show surpluses instead of deficits and to increase the wages of their employees.

That was the state of affairs at the end of 1929, when the world depression set in. In comparison with other countries Canada stood up well under that depression. We had an election in 1930, however, and the leader of the Conservative party and his friends wanted power. They took the opportunity to go through this country and tell the people that they never had seen anything like the unemployment that existed at that time. According to their own figures after they came into office there were 117,000 people in Canada unemployed. The Conservative candidates, led by the present Prime Minister (Mr. Bennett), went through the country making rash statements which they must have known, if they knew anything, were not true; they made rash promises which, if they knew anything, they must have known they could not fulfil and which they never intended to fulfil. They stated that the unemployment prevailing at the time was not because of world conditions but was because of the policies of the government that was in office at the time. They said it was the duty of the federal government to provide work for all the inhabitants of this country, and the right hon. gentleman said he would end unemployment or perish in the attempt. He made his position very clear at Sarnia, when he said:

> Someone is responsible for unemployment; not individuals, but governments. Governments by their majorities in parliament are responsible for enacting all legislation.

In Quebec he said that if his party were returned to power and he did not fulfil his promises he wanted his followers from Quebec and the rest of Canada to vote him out of power. His words will be found in the Ottawa Citizen of July 14, 1930, and are as follows:

> There was no necessity for a conference on unemployment, he continued. The solution was too apparent. "What you want is work," he exclaimed, "not conferences, and you are going to get work." Unless his promises to the people of Canada were kept if elected to office, Mr. Bennett said he wanted Quebec and other members of his party to vote him out of office.

"Wages, not charity" was the slogan of the right hon. gentleman on that occasion, and many thousands of workers throughout Canada took him at his word. They have had very little but charity since that time, and now we have before us a bill providing for an extension of the dole. Thousands of workers throughout Canada took the word of the right hon. gentleman and his candidates; they voted for a change of government, and they brought about that change. What has been the result of about four years of inactivity on the part of this government? No one will deny that conditions have been going from bad to worse; not even members sitting on the government benches will deny that statement. They make excuses, however. In 1929 the total trade of Canada in round figures was valued at $2,654,000,000. By 1933 the total trade stood at $886,000,000, representing a loss in trade between the years 1929 and 1933 of $1,768,000,000. Is it any wonder that we have unemployment? As a result of unemployment and the accompanying loss of wages there has been a reduction in the purchasing power of thousands of our citizens. The loss of salaries and wages in our industries is a distinct menace.

Let us consider the manufacturing industries. In 1930 the salaries and wages were $736,000,000. In 1932 they had dropped to $497,000,000, representing a loss in that respect alone of $239,000,000. That means that there was $239,000,000 less purchasing power in Canada. Is it any wonder that our workers

are becoming depressed and dissatisfied? Is it any wonder that they are becoming impatient at the inactivities of the government, a government which upon assuming office found only 117,000 unemployed, but deplored the fact throughout the country? Last winter the Minister of Labour admitted that there were 1,357,000 persons on direct relief, and now, only about four years after the government took office, there are about half a million unemployed, and thousands more are working in relief camps for their board and miserable pittances.

What about the farmers? Are they content?—because I understand this is also a farm relief bill. After four years of this government's legislation should the farmers have to read in the newspapers that they must accept further relief? What were they promised by this government? This is a sample of what was told the farmers during the election campaign of 1930. The right hon. leader of the opposition of that day, the present Prime Minister, is quoted as follows in the Vancouver Province of June 18, 1930:

If Mr. Mackenzie King thinks I will not so build up our agricultural and industrial life, that its strength will drive our products into the markets of the world, then he is wrong, for that I will do. If he thinks I will not establish new markets for those products, strive with all my heart to retain them, drive our products with all my power into new markets, into old markets, into reluctant markets, he is wrong, for that I will do.

He meant it, all right, there can be no doubt about that, because he is quoted in the Montreal Gazette of June 19, 1930, as follows:

So will I, when the government is mine, continue to blast a way through all our troubles and difficulties.

Well, let us see how the farmers are faring at the present time. In January, 1930, the index figure of price levels for farm products stood at 102·6. In January, 1934, it had dropped to 55·3. For the year 1930 the index price level for farm products averaged 82·3; in 1933 it averaged 51.

Then the presentation on behalf of the farmers before the royal commission on banking and currency in Canada is found at page 70 of the report of the Macmillan commission:

In a memorandum prepared by a committee representing the governments of the three provinces . . .

The western provinces—

—it is estimated that the annual gross revenue from agriculture in these provinces fell from $843,153,000 in 1928 to $273,738,000 in 1932, representing a loss of 67½ per cent in farm income.

In the memorandum filed on behalf of the United Farmers of Ontario an estimate made by the Dominion Bureau of Statistics of the value of field crops in Canada was given as follows:

1928..	$1,125,003,000
1932..	416,586,000

One may learn from those figures that the farmers are in a bad way. While on a train I heard one of them say, "Between the activities or inactivities of the present Conservative government and the grasshoppers in western Canada we farmers are in a pretty bad fix." That is why they have no money to spend on necessary articles, and why so many farmers are leaving their farms. A peculiar circumstance is to see the Minister of Colonization, together with various provincial ministers attempting to place people back on the farms, at a time when real farmers are leaving their farms because, owing to the policies of this government, they cannot make a living. Farmers have been deluded; they realize now that this government has neither blasting power nor business ability with which to run the affairs of the country.

Members of the government are going through the country making further excuses, and placing before the people the effects of the Ottawa agreements. Let us examine the results of those agreements. In 1929, without those famous or infamous Ottawa agreements, trade within the empire was valued at $793,000,000, whereas in 1933 it had fallen to $342,000,000, showing a loss of $451,000,000. The government ought to know by this time that Canada is an exporting country and that our 10,000,000 people are able to manufacture and produce far more than they can consume. For that reason we ought not to regulate our channels of trade in any one particular direction; we ought to be prepared to trade with any country of the world willing to trade with us.

I should like to ask the farmers now the question the present Prime Minister asked them during the election campaign of 1930, at a time when he was leader of the opposition. He asked, "How much money have you in your pockets as a result of the King administration?" Then he said, "Let that be your answer." At this time I ask the farmers, "How much money have you in your pockets to-day, as a result of the policy of the Bennett government?"—and I ask them to let that be their answer. I am satisfied as to what their answer will be. Is it any wonder that we have a railroad problem on our hands in view of all these restrictions on trade, these wheat agreements and other restrictive agreements, and all the loss of trade consequent

thereto? What has been the effect on our railroads of all this loss of trade? In 1930 carloadings stood at 3,146,247, and in 1933 at 2,032,157, or a decrease in the three years of 1,114,090. That of course has had its effect on railroad earnings, and that is the reason why we have a railroad problem on our hands to-day.

What has been the effect on railway earnings? In 1930 railway earnings amounted to $454,000,000, and 1932 the earnings had dropped to $293,000,000, or a decrease of $161,000,000. Is it any wonder that the railway companies had to lay off men and put other employees on short time and make a reduction in the wages of the railway men in order to make up that loss in earnings of $161,000,000? The spectacle of the Minister of Railways (Mr. Manion) on the floor of the house the other day when he read a letter from the heads of the railway unions in this country thanking the Prime Minister for intervening at a time when they were about to strike to maintain a semblance of justice was one of the most childish things I think I have ever seen in a public body in my life. Why, the Minister of Labour will find on his files, and if he cannot, I can produce them, although I regard them more as personal letters than anything else, dozens and dozens of letters from the railway unions and other unions all over this country thanking the then Minister of Labour and the government in power in this country from 1926 to 1930—for doing what? For redressing their grievances and settling their controversies without the necessity for a strike at a time when they were getting increased wages. But now under this government we have the Minister of Railways standing on the floor of this chamber and saying how proud he was of the Prime Minister intervening in a labour dispute at a time when the railway men of this country had to take a fifteen per cent reduction in their wages. A great achievement! I am glad that it is the present government, and not one of which I was a member, that boasts of such an achievement.

Then there followed a reduction in the staff of the railroads. Some men were laid off and others were put on short time. That naturally affected the earnings of the railway men and reduced the purchasing power of the citizens of this country. To what extent? In 1929 salaries and wages for railway employees in Canada amounted in round figures to $290,000,000; in 1931 they earned less by $64,000,000; in 1932 they again earned less by $109,000,000; in 1933 again they earned less by $130,000,000. In other words $240,000,000 less was paid to the railway men in salaries and wages after three years of the policies of this government.

[Mr. Heenan.]

Mr. GORDON: Has the hon. member the figures for the United States railways for the corresponding period?

Mr. HEENAN: No, I am dealing with the railway men in Canada.

Mr. GORDON: I suggest that they might be useful for purposes of comparison.

Mr. HEENAN: I have not got those figures, and if I had I do not think they should be compared with the figures I have given, because it was not President Hoover or President Roosevelt who told the railway men of this country that if the present government was put in power they would be working full time and overtime at increased wages, and that their wives would be going around the kitchen and the dining room happy and smiling every day. It was my hon. friend's friend, the gentleman who is now high commissioner for Canada in England, who went out and told that to the people of this country.

Mr. GORDON: The only reason I interjected was that if the hon. gentleman had the figures before him for the United States railways for the corresponding period I would have liked to see them spread on the record where they would be readily available.

Mr. HEENAN: If I had them I would not have spread them on the record, because I am talking about Canada and not about the United States. It was a very high price for the railroad men of this country to pay—$243,000,000 less in wages and salaries in three years—for putting in power a government that advocates and puts into effect policies that tend toward a restriction of trade. If my hon. friend wants to compare the United States and Canadian railroads, I can tell him that so far as Canada's railways are concerned the number of railway employees in this country decreased by 65,000 in 1933 as compared with 1929. That is not ending unemployment. This government is simply adding to the hordes of unemployed, and apparently now the government has made up its mind that there will be no further necessity for many of the railroads in this country. The government has given up hope that they will ever get much of this lost trade back, because last year they passed the most iniquitous piece of legislation that was ever put over on a people in a white man's country. It was camouflage, because it resulted in the amalgamation of the operations of the railroads of Canada and in a pooling and merging of their services under the guise of cooperation. The purpose of this legislation was to eliminate duplication and certain main lines and branch line services. So it is quite evident that this government

has made up its mind that we shall no longer require railroads to the same extent that we did previously. I say that that legislation was iniquitous because a direct pledge was given to the people by the present Prime Minister, standing in the centre of Canada on June 9, 1930, when he pledged himself and his party that the policy of his government with respect to the railroads would be "amalgamation never, competition ever". Before many years have gone by, Mr. Speaker, the words of warning I have given will be found to be only too true. Competition? It is not competition that we are getting on the railways. The present Prime Minister must have known the conditions of the railroads at that time. He was not a young and green member of this house. He had been in parliament for years and had taken part in the debates on railway matters. I recall the time in this house, I think it was in 1913 or 1914, when he designated the present leader of the government in the Senate as the gramophone of Mackenzie and Mann. So he was well versed in the railway situation at the time he was speaking. He it was who stated at Winnipeg on June 9, 1930, "We are all proud of this nationally owned system. We are proud of the transportation system of Canada." And he also said during that campaign, speaking, as he said, to one million of his fellow countrymen over the radio, "If any of you hear or see me tampering with the railroads, ask for my resignation, because I shall be unworthy of the great position to which I aspire." Then lo and behold! we find that we have an amalgamation of the railways under the guise of cooperation. We find that there has taken place a pooling of passenger and freight traffic, and that about ninety railway men have been laid off by the pooling of services between Ottawa and Toronto. The Minister of Railways, in answer to a question asked by the hon. member for Quebec East (Mr. Lapointe) the other day, stated that ninety-six men were affected between Quebec and Montreal. When he was reading a letter he had received from the chairman of the board of trustees he said that these ninety-six men would not lose their positions; apparently he was trying to leave the impression that they would just revert to other jobs by virtue of their seniority. Everyone knows that these ninety-six men engaged in passenger service would not lose their jobs; they would find work in mixed or freight service, but they would push ninety-six other men off the bottom of the list. Men who have been twenty and twenty-five years in the railway service, and who have worked themselves up to be engineers and conductors, cannot get jobs to-day as wipers or brakemen.

This measure states that further relief is needed by the provinces. I wonder if the Minister of National Revenue (Mr. Matthews) and the Minister of Labour (Mr. Gordon) have looked up the public works estimates from 1930 down to the present. Those estimates show a continuous reduction in the amounts voted for public works. Public works would have furnished relief to the unemployed in the various provinces. During the elections of 1930 this government promised that they would construct a great national highway with funds from the federal treasury, and that they would administer old age pensions from the federal exchequer. They promised also that they would provide for technical educational training, and in 1931 passed a bill under which an annual payment of $750,000 was to be made for fifteen years. Had those payments for technical education been made, a total of $2,250,000 would have been paid to the provinces down to the present time.

After listening to the speech of my right hon. leader (Mr. Mackenzie King) one can understand why there is such a small amount left with which to pay the wages of the working men of this country. I may have something to say about this in the future. This government permits the governments of Ontario and other provinces to pay starvation wages under the guise of unemployment relief at a time when they are contributing one-half the cost. Why they have nothing to say about this is beyond me. This bill gives the government full power to make regulations with respect to the matter. When the subject was first before the house in 1930 the government made the promise that the fair wage and eight hour day clauses would apply to these works. According to the regulations which I have before me the provincial governments are permitted to set a maximum wage, that is, the government receiving money shall not pay more than what is paid by the federal government for the same class of work. The provincial government may pay as small a wage as they want to as long as they do not pay a wage higher than that paid by the federal government. This is a reversal of the whole fair wage policy; it allows a maximum wage instead of a minimum wage.

Having regard to the fact that we have a Conservative government in power; that this government has destroyed the trade of Canada; that this government has apparently given up all hope of recovering that trade; that this government led the way in the re-

duction of wages and seemed to be proud of having done so, I suppose we should be very thankful even for this bill. Perhaps we should get up and thank the Minister of Labour and the government on behalf of the workers of Canada for allowing them to live. All I can see in this bill is the giving of a pittance to the workers to keep them from hungering to death. I can speak with knowledge on this matter because during last fall I visited some of these men. I saw the conditions in their homes. I have seen sickness and death in the homes of men who were working on the highways in northern Ontario. I have seen a hat passed around to buy a casket. I do not want to shed crocodile tears and try to make things out to be worse than they are. Whatever this government may give to the provincial governments, to the municipalities or to any other body, they should act according to the wish of this house, and it is the expressed wish of this house that fair wages should be paid on all works constructed by means of contributions, grants or guarantees from the federal government. With the exceptions as expressed by my right hon. leader, I support this bill.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. G. B. NICHOLSON (East Algoma): Mr. Speaker, the bill now before the house, although not the most important one that will come before us this session, at least deals with what I conceive to be the most difficult problem confronting the Canadian people, namely, that of taking care of those who, by reason of unemployment, are unable to take care of themselves. More particularly is this the case because of the difficulties with which those are beset who are endeavouring to get Canadian workingmen into employment where they can earn a living for themselves and their families.

I am not at the moment going to follow the hon. member for Kenora-Rainy River (Mr. Heenan), who preceded me immediately before six o'clock, excepting as regards one question. My hon. friend made a comparison of the attitude of the present government with regard to unemployment with that of the government of which he was a member prior to 1930. This reminded me very forcibly of a situation that developed in the part of the country with which I am more particularly acquainted, northern Ontario, when from a period quite early in 1929 there had been a serious unemployment situation in the pulp and paper industry arising out of the collapse in a large measure of that industry. The hon. member who preceded me as representative for East Algoma, the Hon. Mr. Bowman, came to Ottawa to intercede with the Minister of Labour of that day, to see whether he could arrange some plan whereby the federal Department of Labour would join with the government of Ontario in providing relief for the 389 families that were entirely destitute at Espanola. The delegation that was here to meet the then member for East Algoma had the pleasure of sitting in the gallery immediately above where I stand and watching the hon. member for Kenora-Rainy River, then Minister of Labour, pound his desk in ecstatic glee as his leader spat out the words: "Not a five cent piece" to relieve unemployment in Ontario.

Mr. BRADETTE: In Ontario?

Mr. NICHOLSON: Yes, in Ontario.

Mr. BRADETTE: He never mentioned Ontario.

Mr. NICHOLSON: I have said many times that I know of no other man who is quite so good a friend of labour in this country as is the hon. member for Kenora-Rainy River except at times when there might be a possibility of his being in a position to do something for the workingman. At other times, however, he makes use of his position for political purposes to render it difficult for all those who directly or indirectly are endeavouring to provide employment for workingmen in Canada.

A few days ago, speaking in the house on this and kindred subjects, the hon. member for Kenora-Rainy River and the hon. member for North Timiskaming (Mr. Bradette) made statements to which I shall refer in some little detail later on, but at the moment I wish to say that those statements were of a character that indicate one of two things, and the hon. members can take their choice. They were either speaking of something of which they knew absolutely nothing or deliberately misrepresenting the facts. I might put the situation more strongly than that, but I think that will indicate what I mean.

In an effort to relieve unemployment, to put men back to work, the governments of Nova Scotia, New Brunswick, Quebec, Ontario and British Columbia last year took steps to confer with operating lumbermen, pulp and paper manufacturers, to see what could be done, to take advantage of the opportunities presented in the United Kingdom market by

reason of the 1932 Ottawa agreements, and also of the apparent upturn in the pulp and paper industry to see what the operators could do in getting men into the woods. As the situation in Ontario had been specifically mentioned, I shall deal with that province alone because I happen to know something of conditions there. As nearly as it was possible to tell, every operator from the Ottawa river to the western boundary line adjoining Manitoba met together with the Minister of Lands and Forests and his officials in Toronto and discussed the problem for a full day. Arrangements were made under which a number of operators agreed to undertake certain operations that they felt then were justified in order to take men off relief in northern Ontario. When I give the house the story of what has happened in the meantime, it will have some appreciation of what I meant when I spoke of the difficulties facing those who were endeavouring to provide employment to men who were on unemployment relief. No sooner had those operations begun, no sooner had it been announced that certain firms, contractors and companies were arranging to put men into the bush, than a composite organization which can best be described as the federation of Canadian communists, began to take action to make it impossible for woods operations to be carried on. The difficulty arose first in the Port Arthur district; it later spread to what is termed northern Ontario in its most northern point along the transcontinental railway, Kapuskasing, Smooth Rock Falls, Cochrane, Iroquois Falls; then along the Temiskaming and Northern Ontario and later along the main line of the Canadian Pacific railway through the part of the country in which I live. As evidence of the character of the organization let me say that ten days before any employer of labour or woods operator in the Port Arthur district was advised by any man or organization that there was any difficulty whatsoever, a communist newspaper, the original editor of which, Arvo Vaara, was deported from this country, published in Sudbury a notice to bush workers throughout northern Ontario advising them that there were going to be strikes in the woods operations in that section and saying: "Woodsmen, keep away."

Now I come closer to home, because I want to give just the situation of which I have personal knowledge. There were two contractors, Messrs. Brownlee Brothers and Mr. Robineau, substantial woods operators, men who have been in business in that country for twenty-four years, who are looked upon as ideal contractors, who have never had any difficulty whatever with their employees, maintaining the very best of relations with them and paying the highest rates of wages prevailing in the industry in that district. Arrangements had been made by which those contractors could give employment to approximately 700 men, and they began in October. With every gang of men that went into those camps there went a communist or two communists, agitators, to make it impossible for the work to be carried on. I have under my hand a list of more than 500 men who received transportation, meals en route, clothing after they arrived at the camp, tools with which to work for Brownlee Brothers, and who remained there just long enough to get a good square meal or two, and then walked out. Others remained in the camps long enough to perform some labour, but none of them long enough in the main to make it possible for the contractor to fill his contract. In a moment I will tell you why. The same applied to the contractor further down the river, Mr. Robineau. These men had never had the slightest difficulty in 1931, the last year they operated in the section, for as soon as it was known by workingmen that these contractors were going back into the woods, men flocked in; it was not necessary to send outside for anyone. But the situation this year was entirely different. These organizations, financed from outside this country—from soviet Russia in fact—in order to make it impossible for the Canadian lumber and timber industry to take advantage of the preference we secured in the United Kingdom and the curtailment of Russian timber purchases by Great Britain as a result of the Ottawa agreements, determined that they were not going to allow the Canadian lumber industry to come back if they could prevent it. In the particular location to which I am referring these activities were carried on through October, November, December and part of January, making it impossible to keep men in the woods, or to get those who were in the woods to do a day's work, with the exception of a minority. Men were constantly going in and coming out. The doctrine was preached to them: Your purpose in going in there is not to perform the service for which you will be paid, but to make it impossible to perform service at all, as was stated in the circular that was then circulated and is now being circulated throughout the lumber and pulp camps in northern Ontario. I have a copy of a circular that was distributed throughout these camps on the Jack Pine river and camps in the Port Arthur and Nipigon districts, and that is being circulated to-day through camps on the Kapu-

skasing and at Smooth Rock Falls. In effect it said: "If you are cutting pulpwood by the cord, do just sufficient to enable you to earn your board, but not sufficient to enable the contractor to fill his contract. If you are hauling and are expected to haul six loads, be careful that you do not haul more than four." The hauling season is short and if the wood is to be got out it must be got out rapidly. The foreman cannot be at every turn in the road where a load might upset. This really means damage of equipment as well as delay in the work.

That is one circular. Another one that is being distributed through the camps in northern Ontario is to this effect: "The camps will soon break up, and the men will have to come out of the bush. Do not go to your homes; stay at Kapuskasing"—where this organization has rented a large building and opened headquarters—"at Cochrane, or at Iroquois Falls, in order that we may make it impossible for the wood that is now in the rivers to be driven out on the drives, and tie up the pulp and paper mills."

Mr. BRADETTE: Who signed that circular?

Mr. NICHOLSON: I will tell the name of the man who signed that letter, it is D. Makela, of Port Arthur, the secretary of the communist organization. The man who signed the circulars that are going round the country now goes under a variety of names. He operated in the Chapleau district at one time under the name of Davis, another time Reilly and another time Dacko. My friend said a few days ago he knew all about it. These men, like their organization, change their name to suit the particular place or conditions under which they are working. I heard one of them make the statement in a public building in northern Ontario that his purpose in changing his name was that it made it easier for him to evade the police.

Now may I give you one or two concrete instances of this plan of malingering and sabotage. Because unlike my hon. friend, who says he visited the camps and never did—

Mr. BRADETTE: I ask the hon. member to retract that. I visited camps in my own section of the country.

Mr. NICHOLSON: I am not going to wait at this moment—

Mr. BRADETTE: I want it withdrawn now. The hon. member said I did not do it, and I did.

Mr. SPEAKER: What does the hon. member object to?

[Mr. Nicholson.]

Mr. BRADETTE: I object to the hon. member telling this house that I said I visited some camps, but that I did not. I say I did visit the camps.

Mr. NICHOLSON: In Hansard of March 12, at page 1415, you find in the second column my hon. friend began his remarks with regard to what he termed the strike situation in the Chapleau district. For the whole of that column and a substantial part of the next he is referring to the Chapleau district. Let me quote one thing he said:

Some hon. members may object—

That is after the hon. member threatened to read to the house a nineteen page letter:

—but these men have been suffering. They do not know just where to find a solution for their problem. It is stated in this letter that certain comps are absolutely filthy and not fit for human habitation. I know—

How did the hon. member know?

—that no hon. member would live in them for even half a day.

That had reference to camps in the Chapleau district. Which camps were they? Later on my hon. friend said these camps were not in his constituency, and further on he said: "I visited these camps and know what I am talking about." If you read that page and a half of Hansard you will find verification for every word I have said. That is why I said at the outset that my hon. friend, like the hon. member for Kenora-Rainy River, was talking about something he knew nothing about, or was using his position in the House of Commons deliberately to misrepresent the facts. I personally visited those camps on an average of once a week from the fifteenth of October until to-day, every one of them. I know what the conditions are; I know how men were working and what they were doing.

Mr. MANION: The Ontario board of health inspectors visited them too, did they not?

Mr. NICHOLSON: Yes, not once, but twice, at my request, to see that the camps were in proper condition. I went to one camp, and I shall just give this as an illustration of the organized malingering. Fifty-two men were engaged in cutting pulpwood by the cord at a price ten per cent higher than that which is provided for under the N.R.A. code in the states of Michigan and Wisconsin and the northeastern part of the United States. That rate prevails both for monthly men and for piece workers all over northern Ontario, in the district represented by my hon. friend as well as that which I have the privilege of representing. These fifty-two men produced in one week 206 cords of pulpwood—a fair

average but not up to normal. But when analysis was made of what the men actually did it was found that twenty-one of these men produced 162 cords and thirty-one produced 44 cords out of the 206. Half of the thirty-one men did not produce a cord of wood in a week. Thus it was made impossible for the contractor to operate, and he was defrauded of the money he had advanced for transportation, food and clothing for these men, to the extent that Brownlee Brothers are to-day out of pocket in actual cash in that regard between $6,000 and $7,000. I know it had exceeded $6,000 at the end of January; I have not the figures for February or March up to date.

But that is not all. The communists work through these camps all the time. I have proof of the fact that when a group of men is put on the train by the employment service at Toronto, or when a group of men is put on at Sudbury, one or two communists get on the train with them and go into the camps. The camps are permeated with them. They continued this from the 30th October to the 15th of January. Then six communists, financed by Vapaus in Sudbury, secured tickets under false pretences, giving false names, from the government employment office and came to Brownlee Brothers' headquarters and were sent to the Jack Pine river on January 9. They hired as pulpwood cutters. They had never cut pulpwood in their lives, and so acknowledged; they knew nothing about it. They stated to travellers on the train that their purpose in going there was finally to tie up Brownlee's work, and bring about a strike if they could. It just happened that I was in the camps on that occasion; I did not know or see the men at that time, but I was there and I knew where these men went on their arrival that night. On January 15, I received a wire in Toronto that the men were leaving Brownlee's camps. I took the first train to Chapleau, from which point I went into the camps by plane to see what was the situation. I arrived on Tuesday, the sixteenth, and as I flew over the tote road I could see the men coming out.

Let me repeat that not a single man employed by Brownlee Brothers ever made any representation that he was dissatisfied with his wages or with the conditions under which he was living or working. After the men had left the camps, however, a series of demands was presented to Brownlee Brothers by a communist who had hired under the name of Riley. This man at times went under the name of Dacko, and as nearly as it is possible to learn his real name was Davis. He was an ex-convict who had been out on ticket of leave for about a year; his leave had just elapsed. I am not going to take time to read these demands, which cover five pages, but I should like to quote one or two of them. One demand was that Brownlee Brothers undertake to secure the release of seven communists from Kingston penitentiary. Another was that they secure the repeal of section 98 of the criminal code, and another was that they undertake to recognize all workers' organizations, including the communist party. Finally they demanded that if the work were to be carried on in these camps the company had to undertake to agree to allow the workers' unity league, as it was called there, to organize camp committees, such committees to say where the men would work, how they would work, how the timber should be cut and so on, and no man was to be disciplined or removed without the consent of the committee. Let me say in passing, Mr. Speaker, that I have something, though not all, to do with Brownlee Brothers. When the time comes for the communists to say how the work is going to be carried on, then instead of using their funds to destroy industry in this country they will have to use their funds to finance industry.

It was stated, as my hon. friend has stated, that there was a strike. I say to you now, sir, and I know whereof I speak, that there never was a strike of any kind. Men were jumping, to use the expression used in the lumbering industry; they were walking out without saying why they were going or anything else. It is true that on January 15 and 16 these communists succeeded in getting a larger number to leave, but, as I say, they made no representations to their employers as to any changes they might desire. These communists were not employees of Brownlee Brothers in any sense whatever. They were there under false pretences, and if I had my way the law of this country would be changed in order that these men could be put behind the bars, where they belong, for that sort of thing. Of a total of 561 men, 228 walked out. I had occasion to meet the men at their headquarters; I mingled with them, and I saw men whom I have known for years being led around by the nose by a group of men whose only purpose in this world is to destroy the opportunity for Canadian citizens to earn a living. One of the communists, who is now in gaol, had broken his parole in order to participate in this disorganization of industry in northern Ontario. He came out ahead of the men and came to the town of Chapleau. He had enough money to hire a large hotel;

he hired the whole building, as he said, to accommodate five hundred men, and he agreed to give these men $5 a day if they would remain there. But it did not take the men long to become disillusioned. A group of men came to see me at my house one evening. I asked, "Why are you here?" They answered, "We dare not go to your office." I said, "Why? Anybody who wants to walk into that office is welcome." They replied that they had been threatened that if they attempted to go back to work they would be manhandled. I said, "Come to the Canadian Pacific railway station to-night, and if you want to go back to the work you left last week I will see that you get protection." In three days 128 of the men who came out originally returned to their work. They are there yet; they are happy and contented and are doing good work. The communists showed their hand just a little too soon, and we were able to get them out.

Let me give you an illustration of what that means. Of these men twenty-four were pulpwood cutters; this is a joint operation of pulpwood and saw logs. These men were making less than two cords of wood a week before they came out; that was their average. During the first thirty days after they were back in the woods their average was 32½ cords, which is a reasonable amount of work during that period of the year. Here is another point. Tractors are being used in these operations as well as teams. A tractor would start out with a load of perishable food supplies; when it was halfway to the camps on a cold day, or perhaps not even halfway, just a reasonable walking distance for the driver, he would make up his mind to quit the job. Thereupon he would walk back to headquarters and leave the tractor loaded with the perishable supplies in the woods, on the lake, or wherever it happened to be.

That was all part of a general plan. What happened when these men came to Chapleau? They immediately applied for direct relief; that was what was being preached to them. I have positive evidence as to statements made to these men by communist agitators, who said, "Why should you work in the woods for Brownlee Brothers? Why should you stay here cutting pulpwood or saw logs, driving horses or working at anything else? The government of Ontario has to feed you." That doctrine, Mr. Speaker, is being spread across this country; these people are being encouraged by loose lipped agitators inside and outside of this house, whose sole purpose is not to get Canada back on a sound basis and provide work for working men but to create disturbances, either for political purposes or for their own selfish ends.

Before I conclude I should like to refer to a statement made by the hon. member for Kenora-Rainy River who I am sorry is not in his seat. I wish to say the same thing to him that I have said with regard to the hon. member for North Timiskaming (Mr. Bradette); he, too, was either stating things he knew nothing about, or deliberately misrepresenting the facts. This is the statement of the hon. member for Kenora-Rainy River after outlining what happened at the head of the lakes, and throughout northern Ontario. Then he said that the Hon. Mr. Finlayson—and may I say the Hon. Mr. Finlayson can take care of himself in any duel with either the hon. member for Kenora-Rainy River or the hon. member for North Timiskaming—called in the lumber operators—this was after these strikes had occurred to which the hon. member for Kenora-Rainy River referred—and reduced the dues from $1.80 to $1 a cord. I have just read the letter of the hon. member for North Timiskaming, and his complaint is that when Chapleau timber was reduced from $1.80 to $1 a cord the operator got the full value of $1.80, and not the men to whom the hon. member referred.

In that sentence there are just three misstatements. In the first place the Minister of Lands and Forests did not call in the operators after any strike or any labour difficulty occurred. He called the pulp and timber operators in before anybody attempted or thought of putting any men in the bush. It is true that he did reduce the dues on pulpwood, but he did not reduce them from $1.80 to $1, because the dues on pulpwood in Ontario never were $1.80 a cord. The dues stand at $1.40, and he reduced them to $1. But with the increment accruing to the pulp and paper company who undertook to finance and organize the operation of the operators at Chapleau to which reference was made—Brownlee Brothers—they had nothing more to do with the dues than had any hon. member in this house. And if the hon. member for Kenora-Rainy River knew what he was talking about—and I think he does—he knew that when he was making his statement.

There has been organized in the province of Ontario a lumber workers union known as the Canadian Bushmen's Union. May I say at this point that there is no man in this house or out of it who is a more confirmed and convinced advocate of collective bargaining than I am. I have worked and fought for it for fifty years. The Canadian Bushmen's

Union are not financed from Russia or the soviets, but they are financing themselves and appealing to the Canadian people for support. Let me point out to hon. members some of the things they have set out with regard to these communist groups in a memorandum which is being widely circulated, in an appeal for support:

With such membership as they could secure they have combined forces for the purpose of calling strikes, and through force and threats have compelled unorganized workers who are greatly in the majority to obey their commands. They have failed miserably either to represent the timber workers or to benefit them. And now they are striving for a general industrial upheaval. Unorganized workers in the timber industry have determined that these bolshevik sideshows shall cease.

And I say now that the lumber industry in Ontario, in fact the whole industry in Canada, is ready to cooperate with any properly organized group of Canadian workmen who will get together and make use of a plan of collective bargaining, and say that they will enter into contracts with their employers. Contracts will be carried out, better conditions will prevail, and the industry can get back on its feet.

May I say to hon. members, however, that this outlaw organization is known under a variety of names. Sometimes it is referred to as the Industrial Lumber Workers, other times as the Industrial Workers of the World, other times as the Canadian Labour Defence League, and other times as the Workers United League. What happened in my hon. friend's own constituency? One of the pulp and paper companies undertook to make a contract with these fellows, and the men returned to work. But inside of a week the same men were back and took the men out of three more camps. When protest was entered they said, "Oh, that strike was declared by the Labour Defence League; we are the Workmen's United League." This happened with the same men and same organizations but under different names. That is the sort of thing that is going on. However, at this time I cannot go into the matter at further length, as my time has expired.

Some hon. MEMBERS: Go ahead.

Mr. NICHOLSON: The Canadian Bushmen's Union sets this out:

The organization issuing this information is Canadian first and last. It is registered under the Dominion Trade Unions Act and affiliated with all Canadian unions in a National Canadian Labour Congress. Its members have complete liberty of conscience in matters political and religious. Their organization is not interested in industrial strife and upheaval. It wants peace in industry, intelligent discussion, and goodwill manifested regarding workers' problems, and a fair deal.

Then these men say:

A strike should always be the last, not the first resort.

Every man who has any knowledge of how organized labour has worked and built up an organization knows that that is a fact. They present their grievances to their employers and negotiate for an agreement. But these people never let the employer know what they are going to do. The men are induced to leave the woods without saying why they are going, or anything about it.

Then, just one other point to show the lengths to which these so-called worker's organizations will go. In the Port Arthur-Fort William area last year they went the distance of closing the national highway. With this in mind they placed pickets on the highways leading out in every direction from Port Arthur and Fort William, and unless one carried a permit from communist headquarters he was not allowed to pass. I have in my hand three photostatic copies of such permits, all signed by the same man, D. Makela, one of the men who came to tie up the operations of Brownlee Brothers. The certificate reads that so and so may pass over the highway. These people went further than that; they closed the stables and barns of two or three lumber companies, and would not allow anybody to enter the barns in order to feed the horses. The humane society intervened.

These are the methods by which they preach peace in this country. Here are three cards which any member may see. I had an opportunity of discussing the situation with the management of a pulp and paper industry in northern Ontario which controls certain mills. They have 175,000 cords of pulpwood to be driven down the stream to their mills, and these people have been working and organizing for the purpose of making the drives impossible. The result would be that the mills will be closed down. They will do it in every other part of the country if they can.

One last word. As a result of their efforts to-day in British Columbia the logging industry is virtually tied up, and the mills in Vancouver are forced to buy their logs from Washington and Oregon and tow them up the Pacific coast, so as to be able to fill their contracts in Australia, the orient and the United Kingdom. The possible and almost probable result is that the operations of these people will defeat the very thing which for so

long we have been fighting for. We were supported by our government in that fight, and were able to open up a market for a thousand million feet of lumber, and to give employment to 50,000 men in Canada. These people are determined to make that impossible. I personally know an eastern lumber operator who has been forced to cancel cargoes of lumber from eastern Canada because of this very thing, and that is the kind of thing, Mr. Speaker, that hon. members of this house will assist by their irresponsible prattle both in the house and out of it with regard to these conditions.

Mr. JOSEPH A. BRADETTE (North Timiskaming): It is easy to note, Mr. Speaker, that my hon. friend for East Algoma (Mr. Nicholson) is still posing as a moralist in this country. He is bent on throwing out insinuations and innuendoes against the reputation of hon. members.

Mr. STEWART (Lethbridge): His reputation is as high as yours.

Mr. BRADETTE: Are you a judge of that? I have not said anything to the hon. member (Mr. Stewart), and I shall not because it is not my habit to do so. In 1926 my hon. friend from East Algoma was moralizing on the whole civil service. He said something during that campaign which no decent man would ever have said.

Mr. NICHOLSON: Would you like me to read it?

Mr. BRADETTE: Yes, I would.

Mr. NICHOLSON: With the Speaker's consent I will. This is the third time since 1930 that I have been challenged with regard to that so-called statement. I hold in my hand a copy of Maclean's magazine, dated July 15, 1926. I spoke for five minutes at North Bay on the occasion to which my hon. friend has referred, and I then held in my hand the same copy of Maclean's magazine that I am holding now. At page 16 of that magazine will be found an article written by H. Napier Moore.

The ACTING SPEAKER (Mr. MacNicol): I shall have to rule the hon. member out of order.

Mr. NICHOLSON: Then I shall have to take another opportunity of gratifying the curiosity of my hon. friend. But I am rising now, Mr. Speaker, to a question of privilege. The hon. member for North Timiskaming has stated that I made a statement at North Bay that no decent man would make, and he challenged me to repeat it. Mr. Moore, whom I have never had the privilege of meeting, wrote an article for Maclean's magazine entitled "Wanted: Clean Government," and I am only going to read some of the extracts that I read on that occasion:

Mr. King was compelled to resign because sufficient Progressives made an emphatic gesture in behalf of wholesome administration. Mr. Meighen's first and most important vote was obtained on the question of wholesome administration. However much the politicians may clack their tongues about constitutionalities—important in themselves—to the advantage or disadvantage of this or that party, the underlying issue which necessitated a new election was, and still is, that of clean government. No amount of hustings ballyhooing, no amount of logicians' hair-splitting, no amount of frenzied flag-waving can alter that fact. . . .

Stripped of all political camouflage, the sober fact is that the ship of state piloted by Mr. King foundered on the rocks of corruption. Admitted that the Conservative board of strategy forged a political weapon when the gravity of the customs report was apparent—

Then further on:

The plea has been made that the officials of the King government were no worse than their predecessors. That is for the judicial commission to decide. . . .

In short, the first minister of the land sacrificed the honour of Canada to political expediency.

Then, when at last he realized that exposure was certain, he "got rid of" a discredited minister by appointing him to the Senate—an insult to that body—an act which placarded the upper chamber as a haven for a former minister of the crown who stands charged with debauching his subordinates, a minister who hobnobbed with crooks and despoilers of the treasury, a minister whose conduct is described by investigators as being unspeakable.

There is no need to harp on the tactics of certain of the other members of the King cabinet. One former minister already has been censured by a vote of the house. The evidence presented to parliament speaks for itself. The evidence in the investigators' reports as yet not made public discloses vileness that cannot be referred to in a family magazine.

That is exactly what I referred to at North Bay, Mr. Speaker. It is the only thing I said, and if that is any satisfaction to my hon. friend he is welcome to it.

Mr. BRADETTE: The hon. member may have said that at North Bay, but he said something else. He made allusions to the civil service—they were all bawdy houses.

Some hon. MEMBERS: No.

Mr. BRADETTE: Certainly he was wrong.

Some hon. MEMBERS: He never said it.

Mr. BRADETTE: Yes, he said it, and no wonder he tried to take it out of that statement. It is evidently in the minds of all hon. members that he said it in 1926.

I have not a single word to retract of what I said on strikes in northern Ontario during the debate on the address, or of what I said last Thursday. I placed the situation fairly and squarely before the house and the country, and I will leave it to the people of my section to judge my statement. The hon. member for East Algoma tried to insinuate that I was in sympathy with the communists.

Some hon. MEMBERS: Hear, hear.

Mr. NICHOLSON: Hear, hear.

Mr. BRADETTE: Who says "hear, hear"?

Mr. NICHOLSON: I do.

Mr. BRADETTE: You will have to prove that statement. I spoke in Iroquois Falls, Cochrane and Kapuskasing before some of the strike leaders, and I told them that I was not in sympathy with any kind of communism or radicalism, but that I was in sympathy with labour unionism. If to help the labourers and their organizations is to be a radical, then I am a radical. Will the hon. member who has just taken his seat (Mr. Nicholson) compare our national and international labour unions in Canada with the communists?

Mr. NICHOLSON: No.

Mr. BRADETTE: I am going to accept that statement.

An hon. MEMBER: You are a Liberal.

Mr. BRADETTE: I am very proud of it. Much more proud than I would be of being a reactionary. During that strike in my own section of the country, where the conditions are better than they are in East Algoma, and I say that frankly, the International Sulphite and Paper Company workers of Kapuskasing, Smooth Rock Falls and Iroquois Falls gave an hour's pay per week to support the strike. They had support also from the mining unions in the Porcupine and Kirkland Lake district. These organizations are not communist in their ideas or their ideals. Some of the leaders might have been criticized for their actions, but you can always tell a tree by its fruits, and if we had strikes in the lumber camps of northern Ontario and Quebec last fall I want to point out that the legislatures of Ontario and Quebec have since found it possible to amend their laws so that to-day the bushmen are getting fairer remuneration and better sanitary conditions than they had previous to the strike. So they were absolutely right in striking.

In the debate on the address I said that an eighteen page letter had been sent to me by a strike leader in the Chapleau district, and I challenge the hon. member for East Algoma to tell me whether the man who writes this letter is a communist or a radical. The letter is written by Mr. Ellard Connolly.

Mr. NICHOLSON: Mr. Ellard Connolly never wrote the letter.

Mr. BRADETTE: I have it here; it is signed by Mr. Ellard Connolly, and he gave me permission to use it and read it. I will leave that point to the judgment of the house. I am not going to read the whole of this letter to-night, but just one paragraph telling of sanitary conditions at some of the camps of Austin and Nicholson in the district of Chapleau:

> The living conditions in most of the camps are best explained by the word "uncivilized." All men on entering the camps were not issued with clean blankets, as provincial laws demand. When the camps first opened in the fall, clean blankets were issued to approximately five hundred men, but since that I venture to estimate well over another thousand men have used these same blankets without being washed. I myself was issued with a used blanket taken directly from another man's bunk. This is a direct violation against the board of health regulations of Ontario, regulating sanitary conditions in lumber camps in unorganized districts, for which violation a penalty is prescribed by the act.
>
> The point in this instance which I wish to bring out is that this serious violation being permitted allows for the spread of infectious skin diseases, and even worse, the dread social disease termed "venereal." The citizens of Canada spend much money and I believe have enacted special laws to guard against the social health of the country being afflicted with venereal disease. I know, and I have proof, that infectious skin disease has been contracted from such blankets—

Mr. MUNN: What camp is that?

Mr. BRADETTE: I said Austin and Nicholson's in the Chapleau district. The letter continues:

> —on the limits of Austin and Nicholson. I saw, along with a witness here, a young and apparently clean man assigned to the bunk and blankets of another man who was fired from the camp in the morning because he was so far gone with venereal disease that he was not able to do his work. This was reported to the proper authorities at the time, but still the same conditions exist.

I intend to read the whole letter when we are in committee. The hon. member compels me to take this action, as it is always easy to cast reflections upon certain bodies of men or even upon members of parliament.

Some hon. MEMBERS: Hear, hear.

Mr. BRADETTE: I challenge hon. members to contradict what I said to the house or to say that I have ever tried to cast reflec-

tions upon any section of the population or any member of this parliament. I never stoop to personalities, but there is one thing I am always ready to do and that is to fight for the common people and the under dog. I cannot understand why the hon. member for East Algoma got so hot when dealing with this matter. There must be a nigger in the woodpile somewhere. I should like to ask him just what happened up in that part of the country. A couple of weeks ago a magistrate's court was held in Chapleau when a number of contractors were charged with keeping insanitary camps. The hon. member for East Algoma appeared as a witness, and I should like him to tell the house what the decision of the court was.

Mr. NICHOLSON: Mr. Speaker, I rise to a question of privilege. The hon. member has stated that I appeared in court as a witness. I never appeared in court as a witness or as anything else in connection with that case. If it is an advantage to my hon. friend, let me tell him that the man who made the charges withdrew them in writing.

Mr. BRADETTE: It is still pending.

Some hon. MEMBERS: Withdraw.

Mr. BRADETTE: The hon. member said that there were no strikes in the Chapleau district, but the Minister of Labour (Mr. Gordon) recognized the fact that there were men still on strike in that section of the country. More than that, the hon. member brought some strikebreakers from the province of Quebec to work in his camps. He cannot deny that.

Mr. NICHOLSON: Yes, he can.

Mr. BRADETTE: No, you cannot. You cannot because it happened. I have another letter which I received from Mr. Ellard Connolly. This man is not a communist, regardless of what the hon. member may say. His letter reads as follows:

Regarding Chapleau bushmen's strike—

Mr. DUFF: Is that a Nicholson camp?

Mr. BRADETTE: Yes. The letter continues:

—the thirty strikers who have been supported by direct relief since February 6 were informed to-day by the relief officer here that he has no authority to grant any further relief after to-morrow, March 24; that there are places open for ten men on the Chapleau highway at a camp some forty-five miles from this town at the relief rate of $10 a month and board; that there are places open for eight men at the Lockalsh relief road camp, about sixty miles west of here, at the rate of board, tobacco and clothing and that he can issue any man with a railway fare to home or any outside point by Saturday night, March 24.

Mr. DUFF: What camps are those?

Mr. BRADETTE: Government camps. The letter continues:

This is apparently another move to disperse us before our civil action comes up against Austin and Nicholson Company for wages and damages due to wrongful dismissal. Neil O'Hara has at present obtained power of attorney from thirty-five strikers to advance their claims in his name. Our intentions are to remain here in an organized manner until the civil action is settled, as we have established our status and maintained it this far, the object of obtaining justice, but after to-morrow, as it has been mentioned to us by the town police here, we are possibly liable to arrest on a charge of vagrancy, as we do not intend to accept any of the propositions made by T. H. Wolfe, the relief officer, and are therefore cut off relief.

It would be in the interest of justice that we be maintained here in the manner that we have been up till now. The relief officer has been told by us of our civil action. When it is won, our intentions are to repay what has been expended on us individually for relief by the taxpayers. As citizens it is hard to understand the tactics of the relief authorities.

Should we be arrested on a charge of vagrancy under the foregoing conditions, what can we do to clear ourselves?

Yours respectfully,

Ellard Connolly.

The signature to this letter is authentic, and I believe it gives an answer to the innuendo made by the hon. member. Again I repeat, I am in favour of labour organizations in our lumber camps. I repeat the statement I made in the debate on the address in reply to the speech from the throne, that conditions existing in some of the camps were a disgrace to the Canadian nation. As far as the activities of communists are concerned, if any of these people attempted to get into any of these camps, they would be thrown out. The big newsprint mills at Kapuskasing, Spruce Falls and Iroquois Falls have recognized the new union. These companies are ready to bargain with the men and they have bargained and cooperated on several occasions since the strike was settled. The men are receiving justice from the larger corporations. Since the strike was settled the Ontario and Quebec governments have found it possible to amend their labour laws so that the axemen and bushmen in our section of the country will receive better treatment than they have in the past. I do not intend to retract one word of what I have said on two previous occasions. As the hon. member has

made an attack upon me personally, when we get into committee I intend to give the whole history of the strike in the Austin and Nicholson camps in the Chapleau district.

Leaving this matter aside, I shall deal now at some length with a matter about which I have spoken on several occasions in previous years. The back to the land movement has a direct bearing upon the matter now before the house. A large number of people now residing in my section of the country have come under this scheme. They have left the larger centres of population in old Ontario and have taken up land in the clay belt, particularly in the riding which I have the honour to represent. I intend to follow the course I followed in the past and not make any destructive criticism of the administration. I intend to speak as a tiller of the soil and as a pioneer in my section of the country. I shall refer to the many good things which have happened under this scheme. If the government are really sincere, they will see that it is enlarged. This was the attitude I took in the fall of 1930, because I realized it was a step in the right direction. The following year the government was boasting that this movement was a success, although they had not found it possible to spend any money upon it. I told the government at the time that this movement would never be a success until more money was spent. Another movement was inaugurated the following year in a more concise form. By means of a tripartite agreement between the federal, provincial and municipal authorities, people were placed upon the land. This was an enlargement of the first scheme, and it promised more fruitful results. I am not going to go at any length into the details of that policy as it has been applied particularly in northern Ontario, but as a whole the back to the land movement has been a success. A few cases may be picked out; where men who have been following one type of occupation for ten, fifteen, twenty or twenty-five years are suddenly placed in new occupations in different centres of colonization, naturally some of them are found wanting and return to their previous locations. But generally speaking—and this applies particularly to every section of my riding—ninety per cent of the people placed in the back to the land movement scheme of this government are making a success of their new calling. There are anomalies; no doubt the system is not perfect, but I am giving due credit to the provincial and federal authorities for their effort to remedy to some extent, within the limit of the scheme, some of the drawbacks that a new population has to face.

Last year I stated that I thought the provincial government should have a better follow-up policy, and last summer I am glad to say that more attention was given to those new centres of population. First of all the people were placed in more concentrated areas; they were placed, for instance, in the township of Kennedy south of my home town. At least sixty families were put along the same road where the land was carefully surveyed to allow those people to have access to the main highway and to be closer to one another. This is certainly a step in the right direction.

One matter that I want to bring to the attention of the house at this time is the fact that there is much resentment of the attitude taken by the provincial authorities in not rendering monthly accounts of the money those people are receiving from the government. No doubt the prices are correct, but they do not know what they are paying for their goods; they do not know what they have to pay for the material they put into their buildings, stables and so forth, or what prices they are charged for some of the equipment they have received from the government. When the federal government finds it possible to grant those people $600, that amount becomes their sole property and they are entitled to receive a statement of their purchases of the previous month, the same as anyone dealing with a store on a credit basis is entitled to receive a statement of the goods purchased during the previous month. I am bringing this to the attention of the government because it is a matter that is easily remedied. Apart from a few minor anomalies that I found more particularly two years ago —the fact, for instance that some people were placed on new holdings where there was no colonization road and where they had to pack on their backs and in some instances carry for several miles provisions for themselves, their families and their cattle—the situation is being remedied gradually. Last summer the Hon. Mr. Finlayson found it possible to visit most of those new centres of colonization, not only in my section but in the whole of northern Ontario. There is, however, one anomaly that exists, under the present scheme, and it is something which will test the sincerity of the government in regard to it. The back to the land policy has caught the attention of the whole of the Canadian people. It came at the proper time; it has been accentuated on account of the prevailing economic conditions. The movement holds great promise for the equilibrium of population between the urban and the rural

centres, but I state frankly and sincerely that the present scheme does not go far enough. One limitation I have in mind, and one that is practically at the root of the question of the present administration of this policy, is the fact that it is a tripartite scheme. There is a section of our population which will more readily settle on the land, the farmers' sons, the young people who have spent their youth on the farm. This I suppose applies to every rural section not only of Ontario but of Canada generally. These young people find it impossible under this scheme to receive the $600 offered by the three different governments. I maintain that if the federal government is sincere in regard to this policy it will enlarge it, making it purely provincial and federal, so as to apply to all who have the necessary qualifications who live in organized or unorganized districts, in little towns, not necessarily in cities. I have in mind at the moment a number of people in my section, and this will apply just as forcibly to the riding of the Minister of Labour (Mr. Gordon). Our rural families have a surplus population that cannot be absorbed on the land, for the very good reason that while a farmer may be able to place a son—the eldest or maybe another—if he has two, three or four left, on account of the present financial situation he cannot place them also. Most of the farmers, practically all of them, find it impossible to place all their sons on the land. But if the scheme were enlarged to apply to young people not only in my section, but in every rural section of Canada, so that the $600 would be within their reach, thousands instead of hundreds of people would be induced to settle on the land. This would be a step in the right direction, and one of the best ways of solving the unemployment problem.

In all these schemes it is always easy to use poetic terms, to speak of the fine population living on the farms, and to describe farming as an arcadian occupation, almost an idyll, but any hon. member who knows the hard work the farmer has to do and the length of time he has to wait for the results of his labour without any remuneration therefor will realize that farmers are not interested in poetical descriptions. They want something concrete, something substantial. They feel that the government should enlarge the scheme. They know that the solution of the agricultural, the rural problem, means the solution of all the ills confronting the country, because the source of a nation's vitality is its rural population and the basis of its economic prosperity is agriculture.

[Mr. Bradette.]

I want to make myself very clear. Although for the last three years I did not criticize the movement, and it is not my intention to do so at the present time, I believe the people want this government to prove their sincerity by enlarging their policy. Only a few days ago in the Ontario legislature the Hon. Mr. Finlayson asked for the sum of $75,000 which will be required by the Ontario government to place 250 families on the land. Anyone familiar with the present unemployment situation realizes that to take only 200 or 250 families away from the urban centres and place them in rural districts is only a drop of water in the bucket; it is only a beginning in solving the problem. A few days ago the Minister of Labour said that in Ontario last year the sum of $25,000 was spent in the back to the land movement. Such a sum is simply ridiculous. The government, to show its sincerity in regard to this movement, should spend money not by the hundreds but by the hundreds of thousands of dollars.

There is a reason for the back to the land movement. Only a few days ago the Minister of Labour mentioned the fact that in the past we had a bad immigration policy. I am pleased to refer to that because some years ago when I was on the government side I deplored the attitude of the administration of that day towards immigration. A Canadian citizen is struck by the fact that most of the people who came here at that time had the idea of settling on the land. Although there was plenty of land available and the soil was fertile, because of the amount of capital required to farm ninety-five per cent of them found their way back into the cities. It was not so much the immigration policy that was wrong as the new social order we had to face. That trek of the rural population to the larger centres is not a new thing; you read of it in the history of countries like England, France, Italy and Germany, for centuries past. This trek to the large centres was accentuated when industry, reaching its golden age of development, became more highly specialized and a working man received a fair remuneration and was in a position to have at hand some ready cash. I remember my grandfather saying on several occasions that there were years when they did not see any real money on the farm. The movement to the larger centres of population was accentuated also by the war. Many demobilized young soldiers, having tasted of the pleasures and the glamour of city life, were not content to go back to the old father and the old farm. And so it was with the younger people who remained in

Canada during the war, on account of the high wages they received in the munition factories. But now that the situation is so bad in the industrial centres; now that we have what is called technological unemployment, a displacement of labour in highly mechanized industries, we find people in the cities looking away beyond the confines of their habitat to the green fields of agricultural life. Most of those who want to go back to the land have had a certain amount of agricultural training. To-day we are talking of unemployment insurance, and it is coming; we hear of the four hour day and the five day week; they are coming. But the present conditions, instead of making for equilibrium between the city and the country, are intensifying the difficulties in that regard. When the wheels of industry return to normal operation many who have been placed on the land will return to the cities; many young sons of our farmers, will find their way to the larger centres, because the country people have not received and are not receiving the attention from the government that the industries have received through tax exemptions, tariff protection and various forms of municipal, provincial and federal aid. Our best brains have been applied to the assistance of industries; artificial means have been employed to help them, and, the result is that our rural centres of population are declining. That is true even of our new sections and of the whole of the western provinces. I well remember when as a young man I lived on the farm we had local industries—the wheelwright, the harness maker, the shoemaker, the grist mill, the woollen mill, the general store, and so on. These employed a good number of people, and as our requirements were limited and we were satisfied with less, the rural sections were practically self-supporting. To-day the situation is absolutely changed. Anyone visting the famous clay belt of northern Ontario, one of the finest agricultural sections of Canada, sees these small villages with perhaps a little church, perhaps a blacksmith's shop, one or two stores, but practically no local industries, no hospital, no such local institutions as I have mentioned; everything is becoming more and more centralized in the larger centres. A few months ago I read with interest an article in the Ottawa Journal stating that industries were being decentralized. Well, perhaps in our day we shall see a miracle, but I for one am doubtful whether industry will find it possible to decentralize to such an extent as to bring back our rural centres to what they were thirty years ago. So we must adapt ourselves to the new order. If in the past we had to employ artificial measures to build up what we call our modern industry, we must adopt similar measures to encourage people to remain on the farms, which are the mainstay of any country. If our rural people could get a reasonable price for their products; if for the last three years western Canada had sold wheat at a dollar a bushel, with a market for all their production, unemployment and depression would be unknown in Canada. Agriculture and industry are closely linked together; there is no section of the country that is not concerned about the labourer and the farmer. The industrialists of the east are just as much interested in the wheat crop as are the wheat growers of the west. It certainly is a step in the right direction, therefore, when we find the provincial governments and the central administration and every public body concerned about the state of the farmer and seeking a solution for his problems.

I make this appeal very sincerely, I say that the present scheme does not go far enough. An expenditure of $25,000 in one year on the back to the land movement to restore the equilibrium between the two sections of our population is ridiculous. There is now under way a movement looking to slum clearance, which has been greatly accelerated by Doctor Bruce, the lieutenant-governor of Ontario. It is true that there are slums in our larger centres of population but if one could see side by side some of the little dwelling houses and log shacks and tumbledown sheds, stables and barns that are scattered throughout our newer sections, he would know the exact meaning of the word "slum." The original settlers have not been able to graduate from the status of pioneers to that of farmers; they find it impossible to put up proper dwellings for their families. Sanitary conveniences are practically unknown through lack of funds. In all these small places you will find cleanliness, but the fact remains that the dwellings are not sanitary. There are no proper means of ventilation, and they are far too small in many cases to meet the needs. Here is a wonderful opportunity for the government to inaugurate a policy which, as well as doing away with slums in the larger centres, could be adapted to providing better housing conditions for the farmers. The appropriation of $5,000,000 a year for twenty years to assist in providing better housing for the rural population would be one of the finest steps the government could take. In my section the settlers see new people come in among them, and they ask themselves the question: How is it that after we have toiled for fifteen or

twenty years to develop this country, at a time when unemployment is just as pronounced in our midst as it is in the larger centres, the government finds it possible to give these people $600 per family while we who have done the initial work of colonization are left practically to ourselves?

The hon. member for East Algoma a few moments ago spoke of the great sacrifices the lumber dealers had to make last fall to give employment to the poor settlers. But I say it was sacrifice to the settlers to work under that scheme. In my own riding they were getting the magnificent sum of $3.50 a cord for pulpwood. No settler can keep body and soul together on returns as small as this. Something will have to be done. I do not doubt for a moment the sincerity of any hon. member on either side of the house, regardless of what the hon. member who preceded me (Mr. Nicholson) said against me. Still less have I doubted the sincerity of the hon. Minister of Labour (Mr. Gordon). I say that very sincerely. But we find to-day among our native rural population a certain amount of dissatisfaction because they seem to have been left out of the existing order of things. So far as this policy is concerned apparently they are the forgotten men. Because they happen to live in the newer sections of the country, in unorganized districts which have not enough money to come under this scheme, most of their young men cannot be placed on farms. I do not ask the government to lay out millions or tens of millions of dollars; for a few hundred thousand dollars it would be possible to maintain all the young men in our section of the country.

In passing may I say that in my opinion the educational system of our province has been wrong in its relation to the rural population, but there are signs of the application of remedy. To-day we have college graduates in northern Ontario who under this scheme would be good farmers. A man on the threshold of life in my section of the country finds only two courses open to him now. If he goes on the farm without assistance he sees ahead of him a drab life of near despair, with no hope of success, but if he could receive government assistance he would have a good chance to come through and live a fuller life. Assistance has been given our industries in the past, and that money has not been begrudged in my section of the country. I have a vivid recollection of the occasion that the government bonused the wheat growers, when millions were spent in the west; not a word of criticism was heard from my section of the country. Last year we set up a stabilization fund which we expected would cost us from $5,000,000 to $8,000,000. Due to the fact that the English pound came to parity with the Canadian dollar that money was not needed, but the fact remains that in my section of the country we were willing to have that money spent to help agriculture. Surely, then, it ought to be possible for the government to work out a scheme which will permit our rural population to remain at their present occupation. Farming is not a profession; it is not a trade. It is more than that; it is a vocation. Sometimes people are inclined to laugh and to ridicule the farmers, saying that they ask too much, that they are not content to live on the farms. It is said that they insist on the attractions of the city. The farming population have an absolute right to the comforts that exist in the cities, but they are willing to make certain sacrifices in order to remain on the land, because there is a great appeal in having their own farms. To them the farm is their kingdom, where they can maintain the traditions of their ancestors, whether they be from the great Loyalist stock of southern Ontario or from that of the pioneering Frenchman who colonized the shores of the St. Lawrence river. These people have it in their hearts to remain on their holdings, and they are the finest people we have in Canada. They are one of the greatest stabilizing factors in the nation, if not indeed, the greatest.

During the last ten years in eastern Canada, with the price of land going up and with industry attracting workers, the young people have found it impossible to remain on the land. The movement towards the cities will not be stopped until we find it possible to allow the young people to settle on the land. It is not my intention to dwell longer on that very important question, but I believe this offers the solution of the evils we have to face at the present time. Let me repeat that if to-morrow our farmers could receive a fair return for what they have to sell, to-morrow unemployment would disappear. We must remember that a farmer must be and is also a business man in the true sense of the word. Sometimes, because the farmers live so far apart, they have not the organization that exists in other industries, but the farmer is a business man, and the fact remains that no class invest their money more readily than do the farmers. A prosperous farmer seldom puts his money into a savings account; he reinvests it in better buildings, new equipment, or improved stock, and this should make the government realize the necessity of finding a solution for the rural problem. In French we say, "La

pitié de l'agriculture," speaking of his present plight, which is absolutely true. At present the farmers are toiling but are not receiving hardly anything in the way of remuneration; they realize that in the past they have not received the attention they deserve, and they are in a state of despair. Here we have a solution of the problem. Here lies the hope for the rural population of this country, its lifeblood, its future. Let us not lose sight of the fact that Canada must remain primarily a rural country. If we fail in this regard we shall suffer as all past civilizations have when they allowed agriculture to deteriorate and decline.

Mr. D'ARCY B. PLUNKETT (Victoria): I should like to say one or two words in support of the remarks made by the hon. member for East Algoma (Mr. Nicholson). I do not think I have ever heard a more definite statement of facts or a clearer exposition of conditions in this country. It was so clear that the seats of the C.C.F. were deserted: we did not seem to suit them tonight. They could not take it.

I should like to give a little evidence in support of what the hon. member said. He made the statement that throughout Canada there was an organized effort to upset the lumbering industry. I have before me a press dispatch which I should like to read, because legal minds consider the evidence in the case and nothing else. This is the dispatch:

> Decide to Close Logging Camp
>
> Lake Cowichan, March 20.—The workers of Camp 10, V.L. & M., were surprised to be called in from work on Monday afternoon to attend a meeting at the cookhouse.

This cookhouse is an agreeable spot for all of us.

> Their surprise was increased when, after an address by J. Long, camp superintendent, they were told it had been decided to close down the camp at once for an indefinite period. The reason given was the agitation which has been going on about wages and other matters in the camp during the last few weeks.
>
> The workers recently gave one day's pay for the relief of the loggers on strike.

I believe that supports the statements that were made by the hon. member for East Algoma. I should like to hear from the hon. member for North Vancouver (Mr. Munn); he is a lumberman and he understands the difficulties of this situation. What has he to say in regard to it?

Mr. MUNN: In regard to what?

Mr. PLUNKETT: In regard to what I have just said. It is not my fault if the hon. gentleman did not hear me.

Mr. MUNN: I heard you; I know all about the situation there.

Mr. PLUNKETT: Would the hon. gentleman make a statement?

Mr. MUNN: I am not contradicting your statement.

Mr. PLUNKETT: Thank you. Then, Mr. Speaker, I am through.

Mr. T. F. DONNELLY (Willow Bunch): Mr. Speaker, I am intensely interested in this unemployment and farm relief bill, and wish to make a few remarks in regard to it. I have the misfortune to represent a district which for the past five years has had no crop whatever. Of our people ninety-five per cent are on direct relief; ninety-five per cent have to receive their dole from the government each month. In regard to conditions in my constituency may I say that it is necessary for the farmers to haul their grain, straw, hay and rough feed from the towns out to the country so that they may feed their stock. No hay, straw, grain or rough feed of any kind have been grown there for the last five years. One may gather from that information an idea as to the conditions under which the people in that district have been living due to the crop failures in the past five years.

I do not wish to criticize the government with respect to the manner in which it has handed out unemployment and direct relief in my constituency. Politics has played no part in the handing out of relief, but I do offer criticism from a business standpoint, because in relief measures there has been an absolute lack of business practice. As the years go by and relief measures are continued the people in charge seem to become more and more inefficient, and each year more difficulties arise.

May I give an illustration of what took place in my own district. The people there were told that anyone living within twenty miles of the coal mines had to go to the mines to get coal. They were ready to comply with that arrangement, and were waiting for orders. They waited a long time, and time after time sent in requests for coal orders. At last, when winter weather had set in and coal was essential, they went to the coal miners and, almost on their knees, asked for coal. The coal miners replied, "We will give each of you a ton of coal, so as to carry you over, and when your orders come in let us have them." The people got their coal from the miners, but did not receive any orders until late in November when the snow was on the ground and frost had set in. Why those orders could not have been given

earlier, when the officials knew that relief had to be given, nobody knows. This is only one example of a lack of business ability.

Let me give another. For some reason last fall the authorities took the notion that all orders for flour had to be for a particular brand; the order received indicated the type of flour which had to be purchased. The result was that sometimes sixty or sixty-five orders would reach a small town, all calling for a certain kind of flour. Often the particular brand named on the orders could not be obtained in the town, and the people had to wait two or three weeks until that flour was brought in. Why could this matter not have been handled as it had been for years previously—give a man an order for so many sacks of flour, and let him get it?

These are only examples, and I could give many, indicating an entire lack of business ability in handling relief problems out there. Many other problems of the same type exist; these are not political difficulties, but arise from a lack of business ability in the handling of relief. One would think that an organization which had been handling relief measures for five years would be working smoothly by this time, but year by year they seem to be unable to meet the difficulties and get into more and more trouble.

As I have said, ninety-five per cent of the people in my constituency are on relief. Let me indicate for the benefit of hon. members the amount of relief they receive. A family of eight will receive each month an order for groceries, such order not to include flour or coal; these two items are extra. The order for groceries will amount to $8 a month. With that amount of money these people are supposed to buy their tea, sugar and groceries. Then, if they have on the farm a hog, cows, eggs, milk or butter, or if they have a hen so that they may get an egg now and then, the $8 is reduced and they must accept less. The amount the person on relief receives depends upon how much he produces himself. Hon. members may imagine what a fat living the people receiving this relief must enjoy.

Then, as to clothing the adult receives $9 a year, with which he is supposed to buy overshoes, boots, socks, underwear, overalls, smocks, caps, mitts, and if he has anything left he must buy his bedding. Hon. members will know about how much bedding he could buy with anything left from the $9. The relief which these people are handed each month is their only means of keeping alive. Children do not receive as much as adults. Depending on its age, a child will receive $5.50 or $4.50, and as to the amounts received a distinction is made between boys and girls. This is an indication of the way people are being treated in this district. They are all on the dole. I know of only one or two farmers who are not receiving relief from the federal government working in combination with the provincial government.

Hon. members will recall that during the last election campaign the Prime Minister (Mr. Bennett) went through the country almost crying for the unemployed. He was going to have work for all of them. Instead of that, however, they have received nothing but the dole.

Mr. MORAND: He has no control over the weather.

Mr. DONNELLY: We should have had some kind of work. Let me tell my hon. friend that practically no money has been spent on road work in our district, while in the northern part of the province where there were crops thousands of dollars have been spent. The authorities seem to think that the people in my constituency do not need the work, that as they are living on the dole they should not have employment. Although the government has kept those people alive, kept their bodies and souls together, what about the stock? What about the horses, the cattle, the pigs, the sheep and other animals? Last winter all through the country horses were dying through lack of feed. They were coming to town and lying down to die beside elevators filled with grain, because there seemed to be no way to get the feed out of the elevators. I remember quite well that a request was sent in to the relief officers asking for feed. The provincial Minister of Labour went through our district, returned home and stated that he had not seen any horses dying,—just as if a farmer would drive his horses to town to die! Following that the officers of the municipality became indignant and wrote a letter to the Regina Leader explaining conditions in their locality. They stated:

> In five municipalities in southern Saskatchewan more than 600 horses have died since October 1, 1933. In the rural municipality of Lake of the Rivers more than 100 horses have died. . . . In Stonehenge municipality officials reported 120 horses dead. . . . In Waverly municipality about 130 horses have died. . . . in the rural municipality of Wood River more than 150 horses have died since October 1. . . . Rural municipality of Pinto Creek is in the same position; 100 horses have died.

Horses are dying all over the country just for lack of feed. Here is another letter written to the Regina Leader:

I have nine horses and two cows. Seven of the horses are trying to get a living out on the bald prairie. This winter I got a ton and three-quarters of hay and eighty bushels of oats, which is used up. I have 150 acres for crop this spring and these horses must do it. Four of the seven just manage to walk around. If I do not get feed within a week it will be too late.

I could read many other letters. Here is one from a municipality:

Our allotment of feed grain from the Saskatchewan relief commission is just over 49,000 bushels, which figures out to approximately twenty bushels per horse in this municipality, and this leaves nothing for other live stock such as pigs and poultry. Owing to the scarcity of forage and fodder it has been necessary to feed the grain shipped in by the commission during the past months. We have already received two-thirds of the allotted 49,000 bushels and the balance, if and when received, will no more than carry the stock through to seeding time.

We have made representations to the commission that we will require at least a further allotment of 50,000 bushels to feed our horses during seeding time but to date have had no assurance that any further amount than the 49,000 bushels will be supplied.

Here is another letter:

We have the unfortunate experience of a great many of our clients coming in and advising us in some cases that they have no horses left, in other cases that they have two or three or four where they need six, seven, eight or ten. The high mortality which has taken place during the past winter is, in our opinion, almost entirely due to shortage of feed.

Those are the conditions that exist, Mr. Speaker, with regard to our stock. We listened the other day in the banking and commerce committee to a story—

Mr. SPEAKER: Reference to what takes place in a committee is not in order until the committee reports.

Mr. DONNELLY: We have heard from many sources, Mr. Speaker, of the terrible problem that exists in this country with regard to our wheat. We have a great carry-over of wheat that we do not know what to do with. We want to get rid of it; why not put some of it to a useful purpose? Some have suggested that this wheat be sent to China to feed Chinamen. Charity begins at home. Why not use a little of it to help our own people? If I may suggest it to the government, why not take this wheat, mix it up with oats and barley and other grains, have it ground up into feed and give it to these farmers so that they may feed their stock? Finance them, if you will. Do not give it to them, for they do not get relief to-day in any form whatever for nothing. The farmers have to sign notes for whatever they get from the relief commission; let them sign a note for the feed. Then they will have something to do; it will enable them to work for a living. They can start to feed poultry and pigs and sheep and other stock, and raise and sell this stock and make a living in that way. If this suggestion were acted upon, not only in the west but all over Canada, the government financing it, if you will, in a year's time or eighteen months, or at most two years, we would be able to supply our full quota of bacon and ham in the English market; there is no doubt about that, and our people would be doing something and earning a living. Besides we would be getting rid of this surplus glut of wheat of twenty or thirty or fifty million bushels. France has a scheme whereby she puts an analine dye in her wheat to make it unfit for use as flour. Why not in somewhat the same way grind our surplus wheat up with oats, barley and other grains so that it cannot be used for flour, and then hand it out to these people to be used as feed for their stock.

The whole morale of our people has gone. When you put people on the dole, on charity, and tell them to live on a handout from day to day, their whole morale goes. I have heard people say, "Oh, the morale of the west is as good as ever," but I do not find it so, I am sorry to say, and I believe it is due to the dole more than anything else.

I just want to leave that suggestion with the government. I believe it would be a good scheme to take some of our surplus grain and grind it up into feed and supply it to our farmers, financing the thing so that the farmers could earn a living for themselves and not have to be kept on the dole.

Mr. J. E. MICHAUD (Restigouche-Madawaska): Mr. Speaker, the bill that is now before the house for consideration is entitled the Relief Act, 1934. The fact that for the fifth consecutive year it has been found necessary to submit a relief measure to the house for renewal is sufficient to arrest public attention and indicates a situation that is deserving of serious consideration on the part of members of this house.

One must not forget that this country was promised that unemployment would cease four years ago. It is interesting to recall those promises in view of the statements which were made in this house on Friday last and to-day. In 1930 the country was promised that if the present government was elected unem-

ployment would end, work would be provided for all those who were willing and able to work,—that work, not doles, would be provided for Canadian workmen. But to-day we are asked to renew a relief measure in which there is no program of work whatever. Coupled with that is the statement made by the Minister of Labour (Mr. Gordon) in the house the other day that the government has no unemployment relief program.

This bill by its preamble and its main provisions gives power to the government, first, to enter into agreements with any of the provinces respecting relief measures; second, for the granting of financial assistance to any province by way of loan, advances, guarantee or otherwise; and third, to maintain peace, order and good government when parliament is not in session. These last mentioned powers, as contained in paragraph (b) of section 2, were not within the last five years directly used for the purpose, and so for the moment I will dismiss that provision.

The main features of the legislation are to enable the government to enter into agreements with the provinces to relieve unemployment, and to grant financial assistance to provincial governments under the guise of unemployment relief. The principle of the bill, and its main feature, is to enable the government to help the provinces solve the unemployment problem, in spite of the fact that the government had promised that it was to undertake a program of public works for the definite purpose of relieving unemployment. The following admission of the Minister of Labour (Mr. Gordon), appears on page 1721 of Hansard of March 22:

> It must be remembered that at no time was the policy of direct relief or of works or otherwise a policy of the Dominion government.

I should like to know what has been the policy of the Dominion government with regard to the relief of unemployment if the methods adopted by the provinces in conjunction with the dominion for the last five years are not the policies of the Dominion government? This is the system which was adopted in 1932 and continued during 1933, but the minister does not want to acknowledge it as a child of the government. Section 4 of the act of 1932-33 reads:

> The governor in council may pay out of the consolidated revenue fund such moneys as may be necessary for all or any of the purposes of this act, but the amount paid for direct relief for the fiscal year ending the 31st day of March, 1934, shall not exceed the sum of twenty million dollars.

I submit that during the last fiscal year the government has been committed to the extent of twenty millions to a direct relief policy or dole system. We now hear from all quarters that this is not a proper policy for the permanent solution of unemployment, but so far the government has failed to submit to the country a proper scheme or program for the solution of this problem. All it promises to do is to help the provinces with respect to relief measures that may be adopted. The government have failed to implement the promise made five years ago, and repeated since, that they would offer a program for the permanent solution of unemployment. They have also failed to adopt a permanent program to deal with the nine provinces. The minister has stated that as far as certain provinces are concerned there is a definite program of public works projects. As I understand the statement made on page 1720 of Hansard of March 22, the policy of the department is to agree upon certain projects of public works submitted by the provinces. When these projects are submitted the Department of Labour sends an inspector to the district in which the work is proposed to be carried out. If the inspector reports that the work is necessary and is of such a nature as will relieve unemployment; if he reports that relief is necessary in the district, then the department approves the proposal and the work is proceeded with. I submit that this is the method which should be adopted with all the provinces. So far as I have been able to ascertain, it has been followed in the province of Quebec. No work has been carried out in that province without first receiving the approval of the Minister of Labour.

However, I find that a different policy has been followed in New Brunswick. It has been brought to my attention that during the past year no projects were agreed upon by the Department of Labour and the provincial authorities. The provincial authorities informed the public during last spring and last summer that no works were being carried on for the relief of unemployment and that there was no necessity for any such works. However, we find that on October 10, twenty days before the end of the fiscal year in the province, a retroactive agreement was made with the Department of Labour under which the province was to be reimbursed for work done. It was to receive forty or fifty per cent of the expenditures made on the trans-Canada highway and fifty per cent of the expenditures on road work and bridges.

Mr. VENIOT: For which no projects were submitted.

Mr. MICHAUD: For which no projects were submitted. After the provincial authorities had broadcast that no money was being

spent last year on public works for the relief of unemployment, and only ten days before the close of the fiscal year, this agreement was arrived at. I submit that the works for which the province has been reimbursed to the extent of forty and fifty per cent were not works carried on for the relief of unemployment but were simply the usual road work carried on year after year by the provincial department of public works. It was only toward the latter part of October that certain districts in the province were told that there was money available for the relief of unemployment. When the soil was frozen several inches deep and when in some districts there were two inches of snow on the ground, the government of New Brunswick and the federal Department of Labour got together and decided that some money should be spent for the relief of unemployment in my province. This was at a time of year when in the province there was no need for that because lumbering operations were resuming and the men were being engaged in some kind of employment, more or less profitable. This, however, synchronized with the election which was then being carried on in my district. On that occasion responsible ministers of the crown in New Brunswick made statements to the electorate of the province directly promising that under the unemployment relief program work would be given to those who would support the government candidate. Only to this extent was unemployment relief granted to that province last year under the act of 1933. I submit that this is an abuse of power, and if the relief has been carried on in other provinces as it has been in New Brunswick it is no wonder that irregularities have crept in and that to-day criticism from all sides is being directed at the Minister of Labour for the way in which unemployment relief money is being spent in the various provinces. This is one of the results of the fact that the Dominion government has not outlined any unemployment relief policy.

Mr. GORDON: I assume the hon. gentleman wants to be sure about his facts. In New Brunswick fifteen projects were approved in 1933, and only one of them in Restigouche county.

Mr. VENIOT: On what dates were they approved?

Mr. GORDON: I can get the dates when the bill is in committee. It is quite true the agreement was dated October 10, 1933.

Mr. MICHAUD: Will the minister state to the house that the projects were approved before October 10, 1933? They could not have been approved before that because the agreement with the New Brunswick government regarding unemployment relief in that province for 1933 was entered into only on October 10, 1933. If the minister wants to refer to the report of the Minister of Public Works for New Brunswick for 1933, he will find on page 3 this statement:

> Under the terms of the agreement made with the federal government under date of October 10, 1933, the federal government agreed to pay 50 per cent of work on trans-Canada highway and 40 per cent of other projects retroactive to June 1, 1933, on colonization roads and to August 1 on other projects. This agreement terminates March 31, 1934.

So the agreement between the Dominion government and the government of New Brunswick regarding not direct relief, but unemployment relief works for that province, was entered into only on October 10 last, twenty-one days before the close of their fiscal year. As a result of this agreement and the payment of $200,000 by the federal Department of Labour to the province of New Brunswick, applicable to the works as mentioned in the agreement, the deficit of the province was lowered to that extent. In view of the attitude taken by the Department of Labour, the minister and the government towards Quebec, I submit that the same policy should be followed in regard to the agreements with the other provinces. This would prevent abuses and it might save money from being wasted.

Mr. PRICE: I should like to ask the hon. member for Restigouche-Madawaska (Mr. Michaud) whether it is not a fact that during the period of which he speaks in the month of October, he and his friends were complaining about certain piles of broken crushed stones, asking what they were for—if they were there simply to look at, or if they were to be put on the roads. Was the hon. gentleman during that campaign not asking why this pile of stones had not been put on the roads, and by so doing did he not show that nothing of the kind he suggests was being done to help the government candidate?

Mr. MICHAUD: If my hon. friend does not yet know the history of that pile of stones, he must be deficient in his knowledge of the history of New Brunswick. He refers, no doubt, to the Dalhousie pile of stones, which has been there for three years and has cost New Brunswick $67,000, perhaps half of which was paid for by the Dominion government. The pile is there yet.

Mr. PRICE: If the Minister of Labour at Ottawa had wished to assist the province of New Brunswick and the government candidate in that campaign, would it not have been a good policy to go ahead with the work which the hon. gentleman says took place as a result of the election campaign?

Mr. POULIOT: People who live in glass houses should not throw stones.

Mr. SPEAKER: The hon. member who has the floor gave way to the hon. member who interrupted him, and therefore I shall ask him to proceed.

Mr. MICHAUD: In order further to enlighten the hon. member for Westmorland (Mr. Price), let me tell him that last year not a single part of that pile of rocks was used to carry on work under the unemployment relief scheme to which the Minister of Labour has contributed some forty or fifty per cent. I did not mention this by way of complaint, because I have no reason to complain. I brought it to the attention of the minister because he told the house last week that in respect to certain projects carried out in Quebec he had a definite program, which I think is the only way in which such projects can be carried out. I thought that principle applied to all the provinces, but to my astonishment I found that it did not apply to New Brunswick, and the people in that province who were out of employment last year complained that they were deprived of the unemployment relief to which they were entitled. This has led to certain abuses and may lead to greater abuses if the policy regarding cooperation with the provinces is not strictly adhered to.

For example, it is a matter of public knowledge that the government of New Brunswick intends to carry on an extensive program of permanent paving of highways. We have 1,300 miles of main highway, and it is the intention of the government to embark on a program of permanent paving provided the Dominion government contributes fifty per cent of the cost under the Unemployment Relief Act. It is not for me to say here whether or not, that is a good policy on the part of the province of New Brunswick, but it is our duty to give our opinion as to whether money contributed by the Dominion government should be spent on such a program. I submit that the money so spent will not end unemployment, will not solve permanently the unemployment problem in that province. It would be a palliative; it would help temporarily, but the problem cannot be solved in that way. The unemployment problem in New Brunswick will remain unless some definite policy is adopted to reestablish in the economic life of the country those who are now unemployed.

I submit that our unemployment is due largely to the fact that certain secondary industries had to close down and cannot be profitably reestablished, and thus a great number of men have been thrown out of work. It is also due to the reorganization of the lumber industry in the eastern part of Canada, more particularly New Brunswick, the transition from the long lumber era to the pulp and paper era. We all know that the long lumber industry employed many more hands than does the pulp and paper industry, and as a result of that transition a large number of men have been permanently thrown out of employment. If the Dominion government have any money to spend for the relief of unemployment, I submit they should embark upon a real policy looking to a permanent solution of the problem instead of contributing to work on highways which will give employment only for a few months in the year. They should adopt some policy to reestablish permanently these men in the economic life of the country. My suggestion is that instead of being provided with work with pick and shovel on the highways for a few months and then thrown back on their villages and towns without work, they should be placed on the land; the money that would be spent in providing temporary work on the highways could be much more effectively used to defray the cost of an extensive scheme of reestablishment on the land.

I throw out the suggestion to the minister because if the problem is a national one, it must be treated nationally. We have proof that the policy followed during the last four or five years has not solved the problem. For the fifth consecutive year the government have come to parliament with the same demands. Not until the Dominion government embarks upon a program of real works of a permanent nature which will enable large portions of our unemployed population to be permanently reestablished in the economic life of the country, will our unemployment difficulties be solved.

Then I submit that the provision relating to the granting of financial assistance to the provinces should be carefully considered before it is again renewed and power granted to the government in that respect. Provincial governments have taken advantage of these powers to embark upon schemes of great magnitude for small provincial governments. They know that the Dominion government have these powers whereby the provinces will

be saved from default; they know the Dominion government will come to their rescue, even if they fail to balance their budgets, and so they embark upon projects upon which they should not embark. I submit that if this power were curtailed, or restrictions placed upon it, it would help the Dominion government and strengthen its hand in intimating to the provinces that they cannot continue to overexpend year after year, fail to balance their budgets, and then come to the Dominion treasury for relief. An end has to be made to this kind of policy which has been followed in recent years by practically all the provinces.

Another feature of this act which is not healthy and is bound to lead to difficulties is that it is a blank cheque for unemployment relief. In the act of last year a maximum of $20,000,000 was set for direct relief. The minister reports that under that act up to a few days ago, the tenth of March, $13,000,000 had been spent, and that there are accounts not yet filed, so that the total may overrun the $20,000,000. But this is no reason why this year the amount should be left blank. If it is necessary to make it a little higher, well and good, but I submit that it would be in the best interests of the provinces as well as of the Dominion government to place a limit on the powers of the provincial governments to spend money; because after all it is the provincial governments that have the last word in the matter. The amount contributed by the Dominion government depends upon how much the provincial governments spend, and we know that in the provinces the matter is left to the municipalities. I submit that this leads to abuses, to overexpenditures, to unnecessary expenditures, and to other difficulties which will have to be met before very long. We cannot allow the provincial governments to overexpend year after year, under the guise of unemployment relief, and then come to the Dominion treasury for assistance. Unless some limitation is placed on the power of the provincial governments to spend money for the relief of unemployment, the Dominion treasury must meet these demands. I submit that the government should say once and for all that they will abandon making contributions towards the cost of direct relief, that they will not subscribe to the cost of public works which are not necessary, but that instead they will undertake a relief program, either by way of public works which are absolutely necessary or by way of gratuities or bonuses to the main industries of the country, which would reinstate a large number of our unemployed. Instead of holding out inducements to the provincial governments to embark upon schemes which will some day lead the provinces to bankruptcy, the Dominion government should initiate a policy of spending that money, if it has to be spent, in helping the basic industries.

Let me illustrate what I mean. I am familiar with the lumbering industry of the east, and particularly of New Brunswick; I do not speak of the industry in the west, where I am not familiar with the conditions. If two years ago the lumbering industry of New Brunswick had been granted half the money that has been spent for road work and direct relief in that province, in order to compensate for the lower prices, they would have continued to employ large numbers of men who have been thrown out of employment and put on relief. Those men would have been employed at the work with which they were familiar, and to-day we would not be faced with the problem presented by many of our people who are not willing to work, who prefer—and quite naturally—to receive the dole or direct relief instead of going back to their former employment. Instead of giving these blank cheques to the government we should limit them, so that in dealing with the provinces, the municipalities or different industries they will be in a position to establish very clearly the different contributors to any unemployment relief projects. In that way we will prevent the abuses which were pointed out this afternoon by the right hon. leader of the opposition (Mr. Mackenzie King).

As far as I am concerned, Mr. Speaker, I should prefer to see the government embark on a real policy of some kind to relieve the situation and do away with direct relief, which, if it is not a policy of the Dominion government, has been subscribed to and approved by the government, and unfortunately to-day we cannot get away from it.

Mr. J. L. BROWN (Lisgar): Mr. Speaker, I shall not detain the house at any great length; I rise only in order to substantiate a statement I made during the debate on the address. At that time I stated that one of the factors likely to bring about a curtailment of production in the west was the fact that, as the hon. member for Willow Bunch (Mr. Donnelly) has just said, the mortality of horses has been very high, so high that many men will not be in a position to put in their usual acreage. I gave a specific illustration; I said that a gentleman had told me just before I left home that he had counted eight dead horses while driving between two towns only seven miles apart. Now I find that not only can I substantiate my statement but that the condition is infinitely worse than I thought.

When I made that statement, Mr. Speaker, it was questioned by the hon. member for Souris (Mr. Willis) who, in a very patronizing tone, advised the hon. member for Lisgar to be careful in the statements he made. I know that by the rules of the house I am not allowed to read from a former debate, but if any person wishes to find a fine example of the sort of thing that at times passes for reasoning in this house I would refer him to page 336 of Hansard, where the hon. member for Souris sought to offset my statement by saying that he had received letters from four men who were prepared to take affidavits stating that the things I had said were not true. What kind of logic is it when a man puts against a plain, positive statement a negative statement from a man who says he knows nothing about it? That was practically the argument advanced by the hon. member for Souris.

When my statement was questioned I thought I would write home, and I did write to thirteen persons in a very small part of my constituency. I received thirteen replies, and when you receive thirteen replies to thirteen letters you may rest assured that conditions are serious. I shall not take time to read all these letters, but I should like to quote a sentence from one of them:

> Many horses have died. I know of sixty-nine horses that have died in 1-13

That is in one township, six miles square. I also wrote two persons living in the district to which I referred in my previous statement. One man gives me not only the general statement that fifty horses have died; he gives me the names of those who have lost horses, and the number they have lost. I know the majority of those people personally. So I was not very far astray when I said that probably it would be necessary to reduce the wheat acreage in the west because of the mortality among the horses.

I should like also to endorse the position taken by the hon. member for Willow Bunch. Is it not a serious situation when, within a few miles of where these horses are dying, there are thousands of bushels of wheat in the elevators that might be used for feed, if not in the immediate vicinity at least within easy reach? These are the conditions which prevailed six weeks ago, and I am satisfied that they are much worse to-day. When seeding begins the condition will be aggravated, because the horses which have managed to live through the winter will not be able to do half a day's work. The condition in this area is particularly serious, because, comparatively speaking, it is not large. In the southwestern part of the province, through drought and grasshoppers, there has been complete devastation, and relief has been handed out. In this more limited area, however, there are many individuals who were hit by the drought and grasshoppers just as seriously as were the people in the larger area. Conditions as I know them are most deplorable.

Again let me emphasize the necessity for and the desirability of doing something along the lines suggested by the hon. member for Willow Bunch. We are worried about how to dispose of our surplus wheat. Well, we need not worry very long if we are willing to take the obvious course and use it to feed the live stock which is now dying. That is all I wish to say at the moment.

Mr. J. R. HURTUBISE (Nipissing): Mr. Speaker, it was not my intention to speak this evening, but after hearing what was said by the hon. members for East Algoma (Mr. Nicholson) and North Timiskaming (Mr. Bradette) I thought it my duty to make a few observations. I do not wish to say anything about the general purport of the bill, but shall refer only to one or two points.

May I first speak about the lumber camps in my constituency. In the past I was not as much interested in the lumber industry, but owing to the fact that under the last redistribution the territory allotted to the member for Nipissing has been greatly increased and now embraces an important lumber region, I feel that I have added interest in the matter. Under the redistribution I have not only a district but almost a diocese. At the outset may I say that at least in part I agree with what was said by the hon. member for East Algoma. He spoke at length about the propaganda broadcast by the communist organizations throughout the camps. I know of that activity, and, with the hon. member for East Algoma, I believe if we wish to have peace among our loyal citizens, some measures should be taken to curb such activities. On the other hand he forgot to speak about the honest industrial workers, but it was pleasing to note that the hon. member for North Timiskaming spoke on behalf of that class of labour in the lumber camps. I too will always sympathize with and defend the rights of organized labour, as long as they are reasonable in their demands.

Referring to the work in those camps, located, for the greater part, in the constituency of East Algoma, may I say that in January I was visited by three young married men full of ambition, who were thrifty and eager to make a success of life. Although

they were not within my constituency they will in the future belong to it. If hon. members will permit I shall relate briefly the story they told me, which I am sure will indicate that these young men were honest and industrious, and not communists. On October 11 they were hired in Sudbury to work in the Austin and Nicholson camps, and were to work specifically for J. J. Brownlee, who was mentioned by the hon. member for East Algoma. For their work they were to be paid from eight to ten cents a log. The three of them worked from October 11 to December 5 and in that time cut 3,000 logs. On the 5th of December, wishing to go home to see their families and to settle some of their accounts, they were offered $14, $7 and $11 respectively. May I add that the company scaler culled 1,000 or one-third of the logs but when the government scaler came along he culled only 300. The men refused the amounts offered to them, and as a result there was an argument. The next morning they were offered larger amounts. The $14 offer had risen to $27.46, the $7 offer to $20.78 and the $11 offer to $22.62. The men accepted the money because they had to go home and had no money in their pockets. The case is now in the hands of their lawyers. These facts will serve to indicate the treatment some of the men receive in lumber camps. With the hon. member for East Algoma I am in favour of curbing communist propaganda, but at the same time if we do not take care of the honest men in the lumber camps we will get that condition which we are trying to avoid. We must give justice and satisfaction to the poor labouring classes.

Mr. NICHOLSON: May I ask a question? Would the hon. member furnish the names of the men and the camps in which they were working?

Mr. HURTUBISE: If I am not obliged to give the names I shall not do so, because those men might not have a chance to get further work in the camps. I shall furnish the names only when I am forced to.

The hon. member for North Timiskaming has spoken about a matter in which I am particularly interested, namely the back to the land movement. When last year or the year before we were offered the Gordon plan I, for one, was pleased to see that at last the colonization movement had been given some encouragement. I have watched in detail that movement in my district. I took the trouble last summer to visit at least one hundred of these settlers, and I questioned them as to how they came there, how they were doing, and whether they were on relief or otherwise; so I know what I am talking about. I do not want to discourage the Gordon plan at all. Perhaps the minister is in earnest about it and means well, and it may succeed in some places, but in my district around Sudbury I must say that the Gordon plan is a real joke, and when we read in the newspapers that the Minister of Labour is increasing the total grant from $600 to $700 it is a worse joke still, because none of the settlers has yet received one cent of the $600 grant. Naturally the municipality has first to contribute its $200 before the provincial and federal governments will contribute their $200 each, and if the municipality does not furnish its $200 the settler gets none of the $600 grant. So the minister can promise $5,000 if he likes; the settler will not get one cent just the same. Around home the Gordon plan, while it has not been altogether a failure, is not a success; its success has been nil.

A few days ago I put this question to the Minister of Labour:

How much money has been spent in the province of Ontario for colonization purposes?

The answer I received was, $20,564.60. As the hon. member for North Timiskaming said, that is just a drop in the bucket. It means nothing at all. To talk of colonizing a province with $20,000 is absurd, so I hope that the minister will not boast about the amount the government has spent for colonization.

My second question was as to how many had benefited from that colonization plan in Ontario, and the answer was 362. That is, 362 had received the $200 from their municipality. But none of them came from my district. I was also given a list, in reply to my third question, of the municipalities from which these settlers had come. There were 362 settlers, according to the reply I received, and on the average they had received $455.

I have this question of colonization very much at heart, and I am afraid that if the present plan is not changed we shall lose a great opportunity of making it a success. Many healthy young men who are fitted for the vocation of farming will be lost to the land and will either join the ranks of the socialists or communists or take the first chance that offers of getting work in the industrial centres. These young men are ready to accept some help and go on the land, but they are not given the chance.

I say first of all, Mr. Speaker, a general plan should be formed not only for Ontario but for all the provinces. There should be put in every centre of colonization one man for each little district who will make coloni-

zation his special work—not a political job, but a man who has colonization at heart and will give his best efforts to make the plan a success. Do not let us have a repetition of what was done in my district, where townships were opened for colonization and men were sent out by the municipalities who would tell them: You go out there and we will see you in a few days. I questioned these settlers and I found that they were given transportation and food and a small building outfit and from $40 to $75 by the municipality. It is done because the municipalities want to get rid of part of their unemployed. After these men have gone out on the land they have to live as best they can. They are not encouraged in any way. They never get the $200 from the municipality, nor the $200 from the province or the federal government.

The first thing that should be done is to survey the townships and have the lots well defined, because what happens now is that settlers very often find, after they have cleared their land and built a little home and put in a few months' work, that it has all been done on their neighbour's property, and that their whole work and time has been lost. That has happened in many cases around Sudbury. So I say that no township should be opened for colonization until it has been properly surveyed and every lot well defined.

Next the settler should be given the chance to earn a few dollars. Do away with all kinds of timber restrictions. To-day the settler is forbidden to cut certain kinds of timber. Remove these timber restrictions, open colonization roads, and even pay the settler a small wage. Give him a chance to earn a few dollars with which to buy something according to his tastes and needs. Just now the situation is that these poor settlers do not know where they stand. They have no work and no chance of earning a dollar. They are on relief, and the first chance they get of a job in the industrial centres they will leave the land and go back to the city. Unless the present plan is changed it is absolutely useless. I am making these suggestions to the government for the benefit of colonization and of the settlers, and I hope that they will be taken into consideration. I have studied the situation in considerable detail.

For the information of the minister may I say that in Sudbury a plan of colonization is being carried out. The man who looks after colonization looks after relief at the same time. It is Mr. Laforest. He is very earnest and he tries to do all he can. He likes the farmers and he is doing his best to help them, but he himself admits he is absolutely helpless—"We have nothing more to work with." So if the government are earnest about this scheme I hope they will take the means to help these poor fellows and encourage them in their work. As I said a little while ago, agriculture is a vocation, and there is no use bringing from the cities men who are hard up and have big families and do not know what to do for a living, and put them on a farm and expect them to make a success of it. Rather encourage those with farm experience who have only lately gone into the city. Those who have been there a long while it is useless to bring to the land because they will not stay there; as soon as prosperity returns they will hasten back to the city. It would be better to take only those men who have had agricultural experience and have been in the cities but a short time. The government should give encouragement to the sons of farmers. These boys have had experience and they should be assisted with settlers' loans. If these men and boys are not placed upon the land during this time of depression they are liable to go astray and no one knows what will happen to them.

I agree with the hon. member for North Timiskaming when he states that agriculture is the principal industry of this country and that it should be given every encouragement. During the past few weeks reference has been made in the house to all kinds of loans and guarantees given by the government to different industries and corporations in order to help them through this crisis. What has been done and what is intended to be done in the future for agriculture? Unless something is done, that industry is doomed.

As I stated last year, the system of education in the rural districts should be changed. The present system develops mentality for the city, and the textbooks should be changed entirely. I hope the federal and provincial governments will cooperate and see that there is a change in the system of education. I should like to see less money spent on agricultural colleges and more on small district organizations. A short time ago I read that there were 250 agronomists in the province of Quebec and as many more engaged in preparatory work. In northern Ontario, which is the largest part of the province, there are only three or four agronomists. These men can only get around to the different districts once in a while. Unless the younger generation is

educated along scientific lines the future of agriculture is doomed. I hope the government will be able to make as large expenditures, under the peace, order and good government part of this bill, on colonization work and agriculture as will be made for the assistance of other activities.

Mr. STITT (Nelson): I should like to ask the minister a question based upon the statement made a few minutes ago by the hon. member for Lisgar (Mr. Brown). If my memory serves me aright, the hon. member stated that 69 horses starved to death in one township. I do not doubt the veracity of that statement but I should like to know if the government has attempted to limit the Manitoba government in any way, shape or form in connection with the giving out of relief in these drought areas.

Mr. GORDON: The answer is in the negative.

Mr. STITT (Nelson): In that case the fault lies with the provincial government, the government which the hon. member for Lisgar almost ran his feet off two or three years ago trying to elect.

On motion of Mr. Veniot the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Tuesday, March 27, 1934

The house met at three o'clock.

REPORTS OF COMMITTEES

Fourth report of the select standing committee on miscellaneous private bills.—Mr. Stinson.

Third report of the select standing committee on agriculture and colonization.—Mr. Senn.

PETITIONS

On the orders of the day:

Mr. J. A. BARRETTE (Berthier-Maskinongé) (Translation): Mr. Speaker, I beg leave to lay on the table of the house petitions comprising many thousands of signatures and protesting against the levying of a 20 cents tax per pound on Canadian leaf tobacco.

Petition of the municipal councils of St. Modeste and St. Louis de Ha Ha, protesting against a new tax on tobacco in leaf.—Mr. Pouliot.

CANADIAN NATIONAL RAILWAYS

Annual report of the Canadian National Railways, Canadian Government Merchant Marine and Canadian National Steamships for the year ended December 31, 1933.—Mr. Manion.

PRIVATE BILLS

PERSONAL FINANCE CORPORATION

Mr. JOHN T. HACKETT (Stanstead) moved the first reading of Bill No. 42 (from the Senate) an act to incorporate Personal Finance Corporation.

Some hon. MEMBERS: Explain.

Mr. HACKETT: This is an act which has been introduced in the Senate and is in terms identical with an act that was passed by parliament last year. I do not know that there is much to be said about it.

Some hon. MEMBERS: Explain.

Mr. SPEAKER: Shall the motion carry?

Some hon. MEMBERS: No.

Mr. SPEAKER: If any hon. member wishes to address the house he may do so. The motion is agreed to on division.

Motion agreed to on division and bill read the first time.

FIRST READINGS—SENATE BILLS

Bill No. 44 for the relief of Gertrude Ethel Mosgrove Roast.—Mr. White (Mount Royal).

Bill No. 45 for the relief of Clara Dingman Freeman.—Mr. Bell (St. Antoine).

Bill No. 46 for the relief of Marguerite Pearl Hopper.—Mr. Lawson.

Bill No. 47 for the relief of Sadye Harris Rosenberg.—Mr. Factor.

Bill No. 48 for the relief of Eva Brabant Paradis.—Mr. Bell (St. Antoine).

Bill No. 49 for the relief of Williamina Muir Briggs.—Mr. Bell (St. Antoine).

Motions for first readings agreed to on division.

ULYSSES—CENSORSHIP

On the orders of the day:

Mr. E. J. GARLAND (Bow River): I have before me an editorial which appeared in the Vancouver Province and which states, in effect, that Victoria has received official notification from Ottawa that the Prime Minister is going to undertake to censor the book

known as Ulysses by James Joyce. I should like to ask the Prime Minister if he has taken over the duty of censoring literature.

Right Hon. R. B. BENNETT (Prime Minister): I have had no intimation of any such fact.

CANADIAN NATIONAL RAILWAYS

SPECIAL COMMITTEE ON RAILWAYS AND SHIPPING TO BE NAMED

On the orders of the day:

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, the hon. member for North Waterloo (Mr. Euler) and some others have been asking in regard to the appointment of the special parliamentary committee on railways. I just wish to advise them that, the reports having been tabled to-day, immediately after the Easter holidays we will set up that committee.

RUMOURED ABANDONMENT OF LINE BETWEEN HOPE AND VANCOUVER

On the orders of the day:

Hon. R. J. MANION (Minister of Railways and Canals): Yesterday the hon. member for New Westminster (Mr. Reid) asked me, according to Hansard, as to the abandonment by the Canadian National Railways of the line from Hope to Vancouver. I have made inquiries, and I can find no indication that the Canadian National is considering abandoning that line.

CONFERENCE WITH WESTERN PREMIERS

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): May I ask the Prime Minister (Mr. Bennett) if he has any statement to make to the house concerning the reported conference between the dominion government and the governments of the western provinces?

Right Hon. R. B. BENNETT (Prime Minister): On Saturday last the government spent a very substantial part of the day in considering the financial position of the four western provinces, especially in view of the representations that recently have been made as to the amount of money they will require, in excess of what they expect to derive from taxation, to meet what they conceive to be their requirements. A telegraphic communication was sent to the premiers of the four provinces suggesting that their legislatures might adjourn over Easter, in which event either the premiers or their representatives might meet the government here on Thursday, April 5, for the purpose of discussing the situation.

The government of Manitoba had made arrangements contemplating an early adjournment, and suggested that a later date would best suit their convenience. The province of Saskatchewan, having telephoned Manitoba and Alberta, sent a telegram in much the same sense. Alberta did not reply directly, or in other than the manner I have just indicated, as suggested by the telegram from Saskatchewan. British Columbia suggested that the position of the prairie provinces was somewhat different from their position and that the matters might be discussed at a later date as they were making arrangements for prorogation. Last evening I dispatched a message to the four western provinces indicating that apparently any day next week would not be a satisfactory date on which to discuss the matters, and that they might stand to a date to be mutually agreed upon.

LEAGUE OF NATIONS MEMBERSHIP

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, last week in another place notice was given of a resolution suggesting that Canada should withdraw from the League of Nations. In view of the publicity that has been given this notice, not only here but also in Europe—the fact having been broadcast by some people who were pleased to see that action taken—does not my right hon. friend think it should be made known to the world that this does not represent the view of either the people or the government of Canada?

Right Hon. R. B. BENNETT (Prime Minister): The suggestion advanced by the former Minister of Justice (Mr. Lapointe) is not without merit, but it is difficult to see how this chamber can proceed to deal effectively or effectually with any matter that as yet has not been discussed in another place. As I understand the matter, notice only was given of the intention to discuss the resolution, the resolution being that Canada should give notice of withdrawal from membership in the League of Nations. I need hardly say to the hon. gentleman or to the house that such notice was in no sense supported by the government directly or indirectly, and that His Majesty's government in Canada had no intention of submitting to this house or to any

other house a resolution involving the withdrawal of this country from the League of Nations.

CIVIL SERVICE

RESTORATION OF TEN PER CENT DEDUCTION FROM SALARIES

On the orders of the day:

Mr. WILLIAM DUFF (Antigonish-Guysborough): Mr. Speaker, in view of the fact that the house rises to-morrow and does not reassemble until April 9, may I ask the Minister of Finance (Mr. Rhodes) if any decision has been arrived at with regard to the salaries of civil servants and others who are paid by this government, including members of parliament and members of the Senate, so far as 100 per cent payment is concerned. It seems to me that before we adjourn to-morrow some statement should be made by the government. I should like to know what the Minister of Finance has to say in regard to the matter.

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, no decision has as yet been reached. If one is reached in time for an announcement to-morrow, an announcement will be made.

FRUIT ACT AMENDMENT

Hon. ROBERT WEIR (Minister of Agriculture) moved the third reading of Bill No. 26, respecting fruit and honey.

Motion agreed to and bill read the third time and passed.

SUPPLY

DEPARTMENT OF JUSTICE

The house in committee of supply, Mr. Sullivan in the chair.

Mr. BENNETT: The other evening, as we were leaving the chamber, a question was raised respecting the Canadian National Railways appropriation. These appropriations are for the last year, not for the future, and do not go to the committee in any event. This represents a balance which has to be paid for last year's operation.

Mr. EULER: Providing for deficit?

Mr. BENNETT: Yes. I promised I would let the right hon. gentleman know.

Travelling and living expenses of Judge John McKay of Thunder Bay district while acting in Rainy River district, $318.65.

Mr. MACKENZIE KING: Explain.

Hon. HUGH GUTHRIE (Minister of Justice): This is to cover the expenses of a judge from Port Arthur who took the place of a judge at Rainy River stricken with illness. The Rainy River judge has since died, and a new appointment has been made. In the interval the judge at Port Arthur performed the services, and this is to cover his expenses which were unusual and not anticipated.

Item agreed to.

RAILWAYS AND CANALS

Loan to the Canadian National (West Indies) Steamships Limited, repayable on demand with interest at a rate to be fixed by the governor in council, upon such terms and conditions as the governor in council may determine, and to be applied in payment of:—

Deficits in operation of the company and of the vessels under the company's control during the year ended December 31, 1933, and interest requirements — further amount required, $196,997.30.

Mr. DUFF: May I ask the Minister of Railways and Canals the meaning of this vote?

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Chairman, I believe the item is self-explanatory. This is a loan to the Canadian National (West Indies) Steamships Limited repayable on demand with interest at a rate to be fixed by the governor in council, upon such terms and conditions as the governor in council may determine, and to be applied in payment of deficits in operation of the company and of the vessels under the company's control during the year ended December 31, 1933, and interest requirements. This is an amount in addition to that in the estimates of last year to meet the requirements of the Canadian National (West Indies) Steamships Limited.

Mr. EULER: What is the total amount of the deficit? How much was in the estimate of last year as being appropriated towards a possible deficit, if any, and what is the total deficit in the operation of the steamships?

Mr. MANION: I did not know that this matter was coming up, but in a general way I may say that the Canadian National (West Indies) Steamships Limited and the Canadian Government Merchant Marine, together, have, in round figures, a deficit of about $1,000,000. But to differentiate between them I would have to have my figures, which I did not bring with me.

Mr. EULER: I suppose the amount here appropriated is in excess of what was anticipated when the estimate was voted last year?

Mr. MANION: Yes.

Mr. EULER: Perhaps it is not best to ask for information which may possibly be given more readily in committee, but I was wondering if the minister could say at this time whether during the past year any of the vessels of the Canadian Merchant Marine were disposed of, at what prices and how many are still left?

Mr. MANION: A number of them were disposed of in the past year. We have had quite a few ships lying in the dock simply rotting away, if I may use that term, because that is what it amounted to. Some of them were sold at practically scrap prices, because the prices of steamships throughout the world, as my hon. friend knows, have in the last few years been very low. Since the war there has been a very great excess of steamships. Ours were lying in the docks, many of them requiring resurveys costing thousands of dollars. On the recommendation of the directorate of last year, and with our concurrence, a number of those vessels were disposed of. I cannot say at the moment as to the number disposed of, or the number remaining, but as my hon. friend has said when we are discussing the matter in the special committee which we will appoint shortly after the opening of the house after the recess, as I mentioned this afternoon, we will go into details, and give more accurate information than I could this afternoon.

Mr. DUFF: Would it not be wise to allow this item to stand until the committee is appointed and we are in a position to investigate the Canadian National (West Indies) Steamships Limited?

Mr. BENNETT: The money has been spent, and the company requires this vote to pay its debts. In the meantime they borrowed it.

Mr. DUFF: Parliament did not give any authority to the company to spend the money. I thought parliament was supposed to vote money before the company could spend it.

Mr. MANION: We did vote a good deal.

Mr. BENNETT: This is one of the unfortunate results as pointed out last year and previous years. The amount of money voted for the company has been exceeded, and having been exceeded the company required money before the end of its fiscal year. Money not being available, the company makes arrangements with its bankers, and before the end of March the estimate is supposed to be passed and the money provided.

[Mr. Manion.]

Mr. DUFF: Do I understand the banks will not carry it any longer? Will the banks not carry it until we make an investigation? If they will not carry the company we do not want it to go into liquidation.

Mr. EULER: I notice this vote is described as a loan; is that a correct description?

Mr. MANION: They are all supposed to be loans—although they are irrevocable loans.

Mr. EULER: You do not expect it to be repaid?

Mr. MANION: I do not expect so.

Mr. VENIOT: In the item I notice the following words:

Repayable on demand with interest at a rate to be fixed by the governor in council.

I wonder if the government could not be as generous to the Canadian National (West Indies) Steamships Limited as they were to the Canadian Pacific Railway, when they loaned that company $1,447,000 without interest.

Mr. BENNETT: The hon. gentleman is wrong as to that. What was done was that the money was advanced for the purpose of enabling the shops to be kept open, and that money was put into circulation in Canada.

Mr. VENIOT: And no interest.

Mr. BENNETT: Not until the contingency happened. That contingency will happen.

Mr. VENIOT: I do not accept the statement of the Prime Minister as being correct because the order in council reads "without interest," and principal is to be paid only when the Canadian Pacific Railway has earned sufficient to pay more than five per cent dividends to its shareholders.

Mr. BENNETT: That is the 1931 item.

Mr. HANSON (York-Sunbury): I do not want to impede the passage of this vote. I understand the money has been spent, and that we have to vote it. It is better to vote the money now than to carry it with the banks and continue to pay interest.

I understand that the position is that the steamship company makes an estimate of the amount it will expend and of the amount it will receive during the year, and that in this particular case their expenditures exceeded their revenues by the amount in the estimate, and they went on and spent this excess amount without authority. That is a reprehensible

practice in my opinion, and I desire to call attention to it. I think my hon. friend from Antigonish-Guysborough (Mr. Duff) is right, that the practice should be avoided if at all possible.

Mr. MANION: The only answer to that would be that after having estimated their necessities for the year, and their revenues not coming up to their expectations, if we refused to make good the excess amount spent until the house met, they would close down their ships. The same is true of the railways.

In reply to my hon. friend from Gloucester (Mr. Veniot) I do not think it should go out that this house is treating the Canadian Pacific Railway better than the Canadian National because, so far from it, as my hon. friend knows very well, while we mark this down in our books as a loan repayable with interest, as a matter of fact none of these loans has been repaid, and we have within the last few years loaned to the Canadian National, not simply the amount that was necessary to keep open the Canadian Pacific Railway shops, but $600,000,000 odd—

Mr. VENIOT: Do not forget the guarantee of $60,000,000.

Mr. MANION: That was not a loan; that was a guarantee.

Mr. VENIOT: I did not say it was a loan.

Mr. MANION: And that large amount I mentioned is shown as a bookkeeping entry on the books of the Canadian National. We have not received back any of it, and I say frankly that I do not think this or any other government will ever receive back one cent of the amount aggregating hundreds of millions of dollars which have been so advanced to the Canadian National.

Item agreed to.

Maritime Freight Rates Act

Additional amount, in excess of the sum of $6,611,000 already appropriated, required to provide for the payment from time to time to the Canadian National Railway Company of the deficit in receipts and revenues, occurring during the year 1933, of the eastern lines as provided by the Maritime Freight Rates Act:

(a) Amount of the deficit (less that amount thereof occurring on account of the reduction in tolls under the application of the Maritime Freight Rates Act) in the receipts and revenues, $80,569.36.

Mr. EULER: In regard to this additional amount required for the Canadian National Railways under the Maritime Freight Rates Act, is there a similar amount payable to the Canadian Pacific Railway, and if not, why not?

Mr. MANION: Oh, yes. The Canadian Pacific Railway and any other lines that used to exist down there—they are practically all taken in by the Canadian National now—have the same twenty per cent paid to them as the Canadian National. In addition, if the Canadian National has a deficit, as it has been having in the maritimes on its eastern lines, we make up that deficit, which of course does not happen in the case of the Canadian Pacific.

Mr. EULER: But the Canadian Pacific Railway would get some amount because there is an excess of what was appropriated for the purpose.

Mr. MANION: The Canadian Pacific Railway gets the twenty per cent reduction in freight rates exactly on the same basis as the Canadian National under the Maritime Freight Rates Act.

Mr. EULER: Where is the estimate that provides the amount payable to the Canadian Pacific?

Mr. MANION: The estimate last year provided sufficient to cover it; so there is nothing further required.

Item agreed to.

Deficit of Canadian National Railways

Amount required to provide for payment to Canadian National Railway Company of the net income deficit, including profit and loss, incurred by the system during the year 1933, as certified to by the auditors in the annual report of the company for the year 1933, but exclusive of all non-cash items, including interest on dominion government advances, and exclusive of eastern lines deficits, as further certified to by the auditors and approved by the Minister of Railways and Canals; this payment to be applied in reduction of accountable advances made to the company from the consolidated revenue fund under authority of the Canadian National Railways Financing Act, 1933, $52,263,819.05.

Mr. MANION: I would suggest, Mr. Chairman, that this item stand, and I move that the committee rise and report progress.

Mr. SANDERSON: I would like to ask the minister if this will be referred to the committee.

The CHAIRMAN (Mr. Sullivan): It is carried.

Mr. EULER: The minister suggested that it stand, and that it be referred to the committee.

Mr. MANION: No, Mr. Chairman, I suggested that the item stand.

Mr. SANDERSON: Will the minister permit a question?

Mr. MANION: I have no objection if the chairman has not.

The CHAIRMAN (Mr. Sullivan): It is signed and has gone away. I cannot call it back.

Mr. MANION: With the consent of the committee, Mr. Chairman, I suggest that the hon. gentleman be permitted to ask his question.

Mr. SANDERSON: My question is this: Will the minister inform the committee if there is any move being made to inaugurate pool trains from Toronto west to London and from London westward?

Mr. MANION: All the arrangements for the pooling of trains are made by the management of the two roads, and without doubt they are investigating many different sections of the country in regard to possible economies from pooling arrangements. As to the details I know nothing whatever because they are not submitted to me or to the government. I cannot answer as to the particular territory my hon. friend inquires about, but if there are any advantages in making pooling arrangements down there no doubt the management of the two roads are investigating the possibilities.

Mr. BEAUBIEN: Before the committee rises may I ask if the Canadian National needs this $52,000,000 odd before the end of the present fiscal year in the same way that the $196,000 is needed?

Mr. MANION: This $52,000,000 odd is the deficit on interest which the Canadian National has incurred in the past year, 1933. In other words, their interest charges were $56,000,000 odd, and their earnings were sufficient to pay $4,000,000; at least they have so submitted to us, but as a matter of fact that is not quite correct because they used some of their reserve material to the extent of some million dollars. Their actual deficit is closer to $60,000,000 than to $52,000,000, but by using some of their working capital and goods on hand they have arranged it that their needs so far as interest is concerned for 1933 amount to $52,000,000 odd.

Mr. BEAUBIEN: I do not think the minister understood my question. The Prime Minister said that this $196,000 odd for the West Indies Steamships had been spent and that it was necessary to vote the money before the end of the fiscal year. But I understood the Minister of Railways to suggest that this item of $52,000,000 stand and be referred to the committee.

[Mr. Sanderson.]

Mr. MANION: No, I did not suggest that it be referred to any other committee. It will be taken up again in this house.

Mr. BEAUBIEN: The minister suggested that the item stand, or at least that was the impression I got, and I am asking whether it is necessary to vote this item of $52,000,000 before the end of the present fiscal year. If it is not needed before the end of the present fiscal year, why not let the item stand? May I ask if this $52,000,000 is needed by the Canadian National before March 31 next?

Mr. MANION: Yes. The money was paid as needed.

Mr. DUFF: I am opposed to having this item stand. It is in the same position as item 275. We have to vote the money to pay the deficit on the Canadian National Railways under this item just as we voted to pay the deficit under item 275. We voted $196,000 odd by item 275 to pay the deficit on the Canadian National Steamships Limited. I think both these items should be treated the same, as they are in the same position; either they should both pass or they should both stand.

Mr. HANSON (York-Sunbury): Nothing seems to be too good for the Canadian National but there seems to be a question raised when it comes to voting a million dollars to keep the Canadian Pacific shops open, or $60,000,000 to help them finance their operations.

Mr. BEAUBIEN: I have no objection to the item passing but the minister has suggested that it should stand. I am asking the minister if this money is needed before March 31.

Mr. MANION: The money has been paid.

Mr. BENNETT: I hesitate to trespass upon the time of the committee but hon. members seem to be having a little difficulty in their desire to make trouble. They cannot reconcile what they conceive to be the explanation. As will be seen from the report which was placed in the hands of hon. members this afternoon, on December 31 last the road had the deficit therein indicated. It becomes necessary, therefore, to vote money through this house. The reason the end of the fiscal year is mentioned is for the purpose of, shall I say, regular dealing with financial matters. We have voted a supply bill for two months of the new year and the old year's financial transactions should be disposed of by March 31. This supplementary estimate is being put through by the minister

in order that the supply bill for the year ended March 31, 1934, may close the financial transactions for the year. The transactions for the new fiscal year begin with the appropriation of two months' pay; that estimate has been submitted but this should be out of the way first. The Minister of Railways (Mr. Manion) suggested that the item should stand as some questions arose as to a figure. He intended that it should stand only to later on in the day. He wanted to be certain as to the figure.

The CHAIRMAN (Mr. Sullivan): The item will stand.

Mr. POULIOT: Mr. Chairman, I understood the minister to say that he wanted the item to stand but afterwards you said that it had been signed and sent away. I wonder if you signed the item with your christian and family names or just with your initials; it was all done so quickly. Some hon. members think it should be voted; I have no objection to voting it but I should like to know just where we stand, whether the item is to stand or whether it has been voted. There seems to be great perplexity about it. I am delighted to see my hon. friend the Minister of Railways (Mr. Manion) giving such courteous answers to the questions asked. I think he sets an example to the Prime Minister (Mr. Bennett) and other ministers of the crown.

Mr. HANSON (York-Sunbury): This is out of order.

Mr. POULIOT: I am speaking on a very relative matter, on the way in which questions are answered. I take this opportunity to congratulate the minister upon being so courteous to hon. members. I appreciate it and in saying that I think I speak on behalf of all of us. I am just telling those hon. gentlemen, who do not need any explanation as to the policies of the government or who would not understand anything if those policies were explained, just what I think of the manner in which the minister has acted. I shall say no more about this matter but I wanted to give the minister all the credit due to him.

Mr. RHODES: My colleague, the Minister of Railways (Mr. Manion), wants to verify his knowledge with respect to this figure so I therefore move that the committee rise, report progress and ask leave to sit again this day.

Item stands.

Progress reported.

UNEMPLOYMENT AND FARM RELIEF

BILL IN TERMS GENERALLY OF RELIEF ACT, 1933, WITH PROVISION RESPECTING DELAYED RELIEF ACCOUNTS

The house resumed from Monday, March 26, consideration of the motion of Hon. Mr. Gordon for the second reading of Bill No. 42, respecting relief measures.

Hon. PETER VENIOT (Gloucester): Mr. Speaker, I had not intended taking any part in this debate until I heard the right hon. the leader of the opposition (Mr. Mackenzie King) read extracts yesterday from the report of the auditor general and his findings in connection with the expenditure and distribution of federal aid to the different provinces. When I heard those quotations I decided that I should make my voice heard, not to say to the government "I told you so," but to draw attention to the fact that in 1932 I made certain charges in connection with the expenditure of federal aid in certain sections of the province of New Brunswick. At that time I called the attention of the Minister of Labour (Mr. Gordon) to the fact that paysheets had been padded by placing upon them the names of men who had not done one day's work. I read six or seven affidavits which I offered to the minister. I demanded that an investigation be held and I put my seat at stake. I stated that if at least ninety per cent of the charges contained in those affidavits and the charges made by myself could not be proved before a proper tribunal, I would resign my seat in parliament. I offered these affidavits to the Minister of Labour but he refused to accept them. He told me, as he has often told the house since, that the matter rested entirely with the provincial authorities of New Brunswick and that his department could have nothing to do with an investigation. I refused to allow these charges to be investigated by the provincial authorities but I was prepared to have them investigated by a properly constituted tribunal to be named by the government or by the house.

In the quotations from the report of the auditor general, that official states that in New Brunswick as well as elsewhere he found padded paysheets and that the federal government had paid its share of amounts which it had no right to pay under the law. He stated also that paysheets and accounts were not properly kept, so I decided it was my duty to direct the attention of the house to the warning I gave the government in 1932. On that occasion I spoke from personal knowledge of the way in which things had been carried

on in certain sections of New Brunswick. I was told by some hon. members opposite that I was decrying my own province, running down my own people. No; it was not my intention to decry my province but to point out to the government of this dominion the necessity for better regulations, a stricter inspection of the way in which the work was being carried on under the relief measure, and if possible putting a stop to this graft and maladministration in connection with federal aid not only in the province of New Brunswick but elsewhere—because I see from the auditor general's report that the same condition of affairs exists, in connection with the distribution of expenditures of federal money for unemployment purposes, all over the Dominion of Canada.

Mr. SMITH (Victoria-Carleton): Are these the same charges which the hon. member preferred in 1932?

Mr. VENIOT: I do not know whether the auditor general refers to them or not, but I am now referring to the 1932 charges.

Mr. SMITH (Victoria-Carleton): Was not an investigation being held by the provincial government of New Brunswick at the time the hon. member made that statement in the house in 1932?

Mr. VENIOT: Not of the accounts in reference to which I read affidavits in this house. An investigation was being held into expenditures of road money in the county of Westmorland; I am not referring to that investigation nor to the charges made and investigated at that time. In 1932 the affidavits I read referred to bridge work in Restigouche county, expenditures in connection with which were not being investigated, and I also referred to road work in the county of Gloucester which has never been investigated. The auditor general's report now bears me out. It shows that I was right when I warned the government against the way things were being done, and advised that measures, stricter than those already in force, should be taken to prevent this maldistribution of public funds of the dominion. I was perfectly right. The auditor general now points out, as I have stated before, that not only in the distribution of direct relief but in the distribution of aid to unemployment in the matter of public works, fraud has existed, accounts have not been properly kept and paysheets have been padded.

The auditor general, or the person whom he sent to investigate these accounts in the various provinces, had only a slim chance to go into these matters. But slim as was that chance, we find that the condition has been rampant throughout every province in the dominion. In 1930, when the first $20,000,000 was voted for aid to unemployment, the official opposition warned the government against the methods they were adopting to have the money expended. We claimed that there were not sufficient safeguards surrounding the expenditure of the money, and we asked that an audit be made on the part of the dominion. But our friends opposite poohpoohed the idea; they told us that it would be insulting the provinces and the municipalities if we insisted on an audit. Well, to-day they are insisting on an audit, but they have locked the barn door after the horse has been stolen. It will be impossible to have an adequate audit of the operations of the last four years, but I do hope that a very strict audit, in accordance with the order in council of March 10 last, will be made in the future. But when you have the proof from our own auditor general that crooked work has been carried on in these expenditures is it possible that the present government is going to entrust to the same individuals, who were guilty of this crooked work, the expenditure of money for unemployment relief, either directly or indirectly, according to the terms of the bill now before the house? I say that those in authority who permitted this maladministration are not fit to continue the administration of any money which this parliament might vote for unemployment relief either directly or indirectly, and that another system should be adopted by which the dominion could more properly safeguard its interests.

Last evening my colleague, the hon. member for Restigouche-Madawaska (Mr. Michaud), referred to certain projects in 1933 that had been carried on in the province of New Brunswick. He said, and rightly so, that the money in connection with these projects had all been expended weeks and months before the projects were approved by the federal Department of Labour. That approval was given on October 10, I believe, whereas the money in connection with these projects had been all expended in August and September, and perhaps in July. Let me say to the hon. member for Restigouche-Madawaska that that has not been uncommon since the inauguration of this relief system, because in 1931, hundreds of thousands of dollars were expended in New Brunswick before a single project had been approved. The projects of 1931 were approved on November 26, and in July, August and September, and part of October, all this money

had been expended. There had been no inspection whatever of the projects submitted to the government for unemployment relief in the matter of public works in that province, and I condemned that transaction at the time. I called the attention of the minister at the time to this fact and insisted that in the future no projects should be accepted by the Department of Labour unless they were first examined by an engineer representing the federal government and approved and recommended by him. But evidently that was a suggestion that has not been carried out, at least in the province of New Brunswick.

Now there is a bill before the legislature of New Brunswick authorizing the government of that province to expend $10,000,000 on hard-surface roads. Let me say to the Minister of Labour that the province of New Brunswick cannot afford under present conditions to spend any such amount of money on roads. New Brunswick, with a debt to-day of approximately $68,000,000, cannot afford to increase that debt by from $10,000,000 to $20,000,000, as the case may be, under present conditions. The government have stated in this house on different occasions that restraint should be placed upon the expenditures of provincial governments, that these governments have been extravagant, and are constantly coming to the Dominion government seeking financial aid. If ever there was an occasion when the government of Canada should restrict any expenditure which is unnecessary it is in the case of the province of New Brunswick. I may be told that this government have no authority over the expenditures of that province. I well know that, but this government have control over the amount of money they will expend in furthering hard surfaced road projects in that province. In that way and to that extent this government can regulate an expenditure which I claim is not necessary at the present time and which the province of New Brunswick cannot afford.

I may be told that this work is required to help unemployment. I am in favour of helping to relieve unemployment. I am prepared to support any measure within reason to help the unemployed in my native province. But there are other means by which the unemployed can be helped, with more permanent effect than by the expenditure on the part of the dominion government of six or seven million dollars for hard surfaced roads in that province. Here let me point out to the Minister of Labour that in the province of New Brunswick there are not more than two or three municipalities—I doubt if there are three—that are able to take advantage of the government's back to the land policy by paying their $200 share for each settler. Our municipalities are almost bankrupt. They have been brought to that position through the enormous sums that they have had to pay to relieve unemployment, especially by the method of direct relief. The municipalities of New Brunswick cannot take advantage of the Gordon back to the land scheme—I think that is the name by which it is known to-day. Let the government, instead of contributing large sums towards the construction of permanent roads, contribute a larger amount as their share to encourage this back to the land project. At present under that act the federal government pays, I understand, $200 per settler, the province pays $200, and the municipality $200. The municipalities cannot meet that demand. Let the provincial government pay its $200 and let the federal Department of Labour add another $200 to what they have already offered, using that money to place unemployed men on new farms in the province of New Brunswick; in that way they will be doing something to establish these people permanently so that in future depressions they will not need to call upon the country to help them. Let me say that the employment afforded by a system of permanent hard surfaced road construction in New Brunswick will not be commensurate with the amount of money expended. We know this work will be done by contract, that the contractor will employ machinery as much as possible and as little hand labour as he can get away with. Therefore the unemployed will not benefit nearly as much as if they were helped to establish themselves permanently on farms. I think I am correct in saying that the auditor general stated that he found in many cases the provinces charging rental to the dominion government for machinery belonging to the province. While he did not condemn such a charge he did state that in many cases the rental was exorbitant. In commenting on that statement I do not wish to reflect at all upon the Minister of Labour, but I am informed that the Minister of Labour himself is perhaps to blame for permitting rental to be charged for the use of provincial machinery on provincial roads. He is also to blame for the exorbitant rental charged, by allowing the ministers of public works of the different provinces to fix what the rental should be, instead of agreeing upon or setting a charge per machine or whatever article is charged for. I have in my hand the report from the

Daily Mail of March 14 last of a speech made in the legislature of New Brunswick. It appears that the leader of the opposition there, Mr. Dysart, attacked the Minister of Public Works for having purchased a machine costing $24,000 and charging it up to federal aid. The Minister of Public Works in defending himself against that charge made the statement that he told the Minister of Labour:

> —that it was not practical to use the money received from Ottawa for relief purposes on the trans-Canada highway entirely. . . . The federal Minister of Labour had stated at that time that the provincial government might buy equipment to carry on work and the rental of same could be charged to the dominion government. Consequently, in place of $24,000 being spent as stated by the leader of the opposition, five per cent of the value of the machine was charged as rental and the provincial government absorbed fifty per cent of the cost.

Whether it was fifty per cent of the rental, or of the cost of the machine, that was absorbed is not clearly stated in that speech, but I take it it was fifty per cent of the cost of the machine. If that is so, $12,000 was paid by the federal government, for a machine purchased and owned by the province. No wonder the auditor general says that the rental charged in many cases was exorbitant.

The auditor general also refers to the discovery that ordinary patrol work in the province of New Brunswick was charged up against federal aid, and the federal government called upon to pay its share. I brought that matter up in this house in 1932, I showed where men engaged by the season or by the year on patrol work were included in the items charged against the federal government for unemployment relief. That was not giving relief to the unemployed. These men were paid so much a month, I believe, because their work could be carried on only from May until the end of October or November, according to the season. Those men were regularly employed; what right had they to receive money under unemployment relief? They were receiving regular salaries; that should have been sufficient, and the men without work should have been given a chance to earn the money which was paid these men.

This situation does not exist only in New Brunswick; it is to be found in different sections of Canada. I brought up the matter in this house, but the Minister of Labour would not heed my warning. Now he is brought face to face with the statement made by the auditor general, an official not of the government but of this House of Commons. The minister would not accept the warning as to this kind of expenditure which was given in the house, but he is forced to accept the statement made by the auditor general.

The auditor general draws attention to something else which I brought up in the house in 1932, and I think again in 1933. I directed the attention of the minister to the fact that the provincial government had submitted a plan to the minister asking for federal aid in the construction of a power line from Dalhousie to Jacquet River, in which the share of the federal government was to be approximately $27,000. I pointed out to the minister at that time that this enterprise would bring in sufficient revenue to pay for the cost of construction and the upkeep and that the federal government had no right to share the cost of a project under the guise of unemployment relief which could be constructed by the province under the supervision of the hydro commission. In his report the auditor general refers to this matter. He does not condemn it as I condemned it at the time, but no doubt that is because he does not know it is a revenue producing enterprise and that the province of New Brunswick could have constructed that line without incurring one cent of debt that could not be met within a given number of years by means of a proper sinking fund. The report goes on to indicate that even in connection with that enterprise the accounts were not properly kept, and that refunds should be made to the federal government.

I wish now to touch on the question of direct relief. In 1933 I pointed out to the minister that the administration of direct relief was subject to abuse. At the time I referred only to the province of New Brunswick, and I was told by hon. gentlemen opposite that I was decrying my own province. The statement I made then, however, has been endorsed by the auditor general with regard to every province of Canada. I said then, and I will repeat it now—and I have more evidence now than I had then—that there was grave maladministration of direct relief. I showed that men with money in the bank were receiving direct relief. I showed that men who were in receipt of pensions, not as returned soldiers but from other sources, were in receipt of direct relief. I pointed out that men were receiving direct relief who were not entitled to it under the act. To-day we find the auditor general pointing out that in many cases direct relief has been granted to persons who should not be under that scheme. He goes further and points out that in certain parts of New Brunswick where medical aid, dental services and medicine were not provided for, such

accounts were entered as food. That occurred in more than one municipality, and at another point these items were rendered as clothing. Thus the authorities in Ottawa were deceived, because the municipalities knew very well that if the government knew these accounts represented medical attendance, dental services or medicine the government would not pay their share, and rightly so, because that was not the policy. So the statement I made at that time has been substantiated by the report submitted by the auditor general. If that gentleman had time to go further into the matter he would find that in certain sections of New Brunswick municipal councillors rendered accounts to the municipalities for services as councillors in the distribution of relief. Those accounts were paid, and I say that was a direct violation of the municipal act. That practice was followed in the county of Gloucester until this year, when the question was submitted to the attorney general of the province for a legal opinion. He stated that they should not receive remuneration in any case. I know of one councillor who sent in a bill for $166 for visits said to have been made in his parish to see whether certain people required relief.

Mr. MACDOUGALL: The accounts were passed by the municipal councils?

Mr. VENIOT: Yes, until this year, when they were refused.

Mr. MACDOUGALL: They were submitted to and passed by the council, so why blame the government?

Mr. VENIOT: If a better system had been adopted in connection with auditing these accounts they never would have been paid; the federal government would have seen at once that the accounts were not proper, and payment would not have been made.

Mr. MACDOUGALL: They were approved by the municipal councils, by Liberals and Conservatives alike?

Mr. VENIOT: Does the hon. gentleman wish to bring politics into it?

Mr. MACDOUGALL: No.

Mr. VENIOT: Then he had better be patient for a while. Then there is another point on which I should like an explanation, in connection with the report laid on the table the other day by the minister. I find that the government's share of the cost of unemployment relief carried on by the Canadian Pacific Railway in 1930 and 1931 was $1,072,746.98. Am I right in saying that the federal government paid fifty per cent of the expenditures made for that purpose by the Canadian Pacific Railway? If I am right in that, then the share of the Canadian Pacific Railway would be $1,072,746.98, the same as that of the federal government. If that is correct certainly an explanation is required, because I find that the present government has loaned $2,447,222.71 to the Canadian Pacific Railway for unemployment purposes, whereas according to this return the shown expenditure is a great deal less than that. Perhaps when the bill is in committee the minister will be able to give an explanation. If I am wrong I wish to be corrected.

I have spoken about direct and indirect relief; I have criticized the Department of Labour and the provincial and municipal authorities. Having done so it would be nothing but right for me to endeavour to submit something concrete by way of suggestions. With that in mind I make bold to submit the following:

First, that all federal moneys for direct relief be entrusted to a commission in each province, such commission being composed of one or two representatives in good standing in each municipality.

Second, that municipalities where direct relief is necessary be asked to pay only twenty per cent of the direct relief recommended by the provincial commission, the province to pay forty per cent and the federal government forty per cent. I make this suggestion because of the well known fact that the majority of municipalities in Canada to-day are not in a financial position which would allow them to keep on paying thirty-three and a third per cent for purposes of direct relief.

Third, that in the matter of relief to unemployment by means of public works carried on jointly by the provinces and the federal government, such as roads, bridges and so on, no project be accepted by the federal government unless same has first been approved after thorough investigation by a federal engineer, and only upon his recommendation that such work is of a useful nature and necessary to relieve unemployment in the district where the project is located.

Fourth, that a thorough audit be made by a federal auditor of moneys expended on roads, bridges and so on, either by the relief commission, or by the provincial authorities.

These are a few suggestions which I consider to be of a constructive nature and worthy of the consideration of the Minister of Labour. I wish to add only one or two more. First may I direct attention of hon. members to the back to the land project. I

have already stated that the municipalities are not in a position to meet the conditions laid down by the Minister of Labour in regard to the back to the land movement. May I emphasize that point, although I believe I need not stress it unduly to the Minister of Labour, because by this time he must know that the municipalities at least in some of the provinces are not in a position to accept his proposition. I repeat what I said a few minutes ago, namely, that instead of spending large amounts of federal money to aid the provinces in the construction of new roads or the hard surfacing of roads already in existence, at least a portion of the money should be laid aside to help the back to the land movement in those provinces where municipalities cannot afford to pay their share of the $200 per settler. If that is done a permanent policy will have been established so far as this movement is concerned.

People will go back to the land. I know there are thousands waiting for the opportunity and financial aid to locate on crown lands. I know that the government of New Brunswick is willing to open those lands to as many of the settlers as it is satisfied will make good. I believe hon. members opposite from New Brunswick will agree that there are no better settlers to be found in the whole world than those who settle on the crown lands of our province.

In conclusion may I crave the indulgence of the house to speak on one other point, because I believe the time at my disposal has almost expired. I believe it was the hon. member for East Algoma (Mr. Nicholson) who stated yesterday that there was in existence an organization operating throughout Canada in opposition to the lumber industry. I do not know to what organization he refers, unless he had in mind communistic activities which prevail in the province of Ontario and in the western provinces. Thank God we have very little, if any, communistic activity in New Brunswick. Let me say to some of the lumbermen in eastern Canada, not to all of them but to the great majority, that if they wish their industry to prosper and if they wish to meet the better conditions for the lumber industry appearing on the horizon, they will have to pay their men better wages than they are paying to-day. The trouble with the lumbermen in New Brunswick is that they are not paying wages sufficient to encourage the men to go to and remain in the camps. What do you think, Mr. Speaker, of a lumberman who is paying $10 to $18 a month for the services of a lumberjack? What do you think of a lumber firm which will send a man into the woods and pay him $1.25 or $1.50 per cord for pulpwood? That man has to cut the pulpwood, load it and pile it. He has to pay from sixty cents to seventy cents per day for board in the camp operated by the lumber company. Under those conditions he cannot make a living. But worse than that, because he has worked in the lumber woods and received a pittance for his labour, hardly enough to keep body and soul together, and despite the fact that his family may be starving at home, upon application for direct relief his wife is told, "You cannot get it, because your husband is employed." Let me warn the lumbermen of the province of New Brunswick the sooner they recognize that reasonable wages should be paid to the men in the bush the better will they get along in their industry.

Mr. B. F. SMITH (Victoria-Carleton): Mr. Speaker, it is not my intention to take up the time of the house this afternoon in a discussion of matters to which reference has been made by the hon. member for Gloucester (Mr. Veniot). I was surprised in the first instance to hear him proceed to blacken the character of the Department of Labour, in the second place the provincial government of the province of New Brunswick, in the third place the municipal councils of that province and in the fourth place the people who elected the government of the province and the governments of the municipalities, which are the very foundation of our democratic life. I know the hon. member would not be so unfair as to attempt to lay at the door of the Minister of Labour many of the irregularities to which he has referred this afternoon, and which are probably as unknown to the Minister of Labour, and were at the time they were committed, as to some man who might happen to be at the north pole.

Mr. VENIOT: He knows it now, though.

Mr. SMITH (Victoria): My hon. friend says that the minister knows it now. In that connection I wish to refer to certain incidents which occurred in the province of New Brunswick while the hon. member for Gloucester was Minister of Public Works for that province.

Mr. VENIOT: What has that got to do with this?

Mr. SMITH (Victoria): Many of the things to which I shall refer have just as much to do with the question before us as the matters my hon. friend from Gloucester has mentioned this afternoon. He was very careful to say

that his speech was not political, and yet at the same time one would not have to be a keen observer—

Mr. VENIOT: I never used the words that my speech was not political.

Mr. SMITH (Victoria): I only need to submit to the house the interjection that was made by the hon. member for Inverness (Mr. Macdougall) and the reply which came from the hon. member for Gloucester county to corroborate the statement I have just made.

Mr. VENIOT: I never made the statement, Mr. Speaker, and I demand that the hon. member withdraw his remarks.

Mr. SPEAKER: The hon. member for Gloucester says that he did not make the statement. The hon. gentleman may infer, if he wishes, what the statement meant, but as the hon. member for Gloucester has denied it I would ask him to withdraw unless he can produce the actual words taken down.

Mr. SMITH (Victoria): I think my statement, Mr. Speaker, will be amply borne out by reading Hansard.

Mr. VENIOT: My point of order, Mr. Speaker, is that I never made the statement, and it must be withdrawn.

Mr. SMITH (Victoria): I just want to finish my statement.

Mr. VENIOT: No, you cannot do it.

Mr. SPEAKER: He is speaking on the point of order.

Mr. SMITH (Victoria): My hon. friend from Gloucester referred to the interruption made by my hon. friend from Inverness as being political, and I therefore say that he wanted to make it appear to this house that his own speech was not political.

Mr. SPEAKER: That may be so, but the hon. member for Gloucester says that he did not use the words that his speech was not political, and the hon. member should therefore withdraw his statement.

Mr. SMITH (Victoria): I am very glad indeed, Mr. Speaker, to comply with the rules of the house. I submit still further, knowing the propensities of the hon. member for Gloucester—

Mr. VENIOT: Order.

Mr. SMITH (Victoria): —and as the house knows them, that I do not think anyone would charge him with having politics at the bottom of his speech.

I was about to say that the hon. member for Gloucester was at one time Minister of Public Works for New Brunswick. I make this reference to show him how easy it is for the head of a department not to know of irregularities that may be going on under the officials of his department. The hon. member very well knows that during his regime as Minister of Public Works I made certain charges in the legislature of New Brunswick in 1917 or 1918 with respect to the management of his department. He very well remembers also that an investigation was made into those charges and that he himself took occasion to preside over and conduct that investigation. He would not allow any outsider to come in and conduct it, but he himself took full responsibility, and he would not even allow me the privilege of having legal counsel to present my side of the case. It therefore became necessary for me to do the best I could. Information was furnished to my hon. friend as Minister of Public Works at that time in the province of New Brunswick, that men's names were on the payroll of his department and that men had received wages from the department who had never worked a single hour on the road. It was also brought out that children eight years of age had their names on the payroll. That was sworn to before my hon. friend, and yet he never took occasion at that time even to criticize the supervisor who was guilty of that.

Mr. VENIOT: That statement is absolutely not correct. The supervisor was punished under my direction for his misdoing.

Mr. SMITH (Victoria): The statement I make, Mr. Speaker, is this, that any supervisor who is to be punished cannot possibly be also exonerated on the floor of the legislature of New Brunswick, and that is what my hon. friend did. When these charges were considered in the legislature of New Brunswick, my hon. friend as Minister of Public Works exonerated all the supervisors who had been found guilty of placing on the payroll the names of children eight years of age and the names of men who had sworn they were out at sea during the whole season. He exonerated everybody in common even the whole bunch.

Mr. VENIOT: That is wrong. The supervisor was dismissed.

Mr. SMITH (Victoria): I refer to that to show that it is absolutely impossible for the head of a department to follow through the line of action taken by all his officials and under-officials.

The Minister of Labour in this government enters into an arrangement with the provincial government of New Brunswick to provide a

certain amount of relief money which goes both directly and indirectly to the unemployed. Who is responsible for the expenditure of that money? First the provincial government. They hand the money out to the municipal councils. The municipal councils submit their bills from time to time to the provincial government, and in turn these come before the Department of Labour at Ottawa. How can you expect the Minister of Labour at Ottawa to know of these irregularities which have been referred to by my hon. friend from Gloucester?

Let me say further that my hon. friend from Gloucester is trying to criticize and blacken the character of the provincial government of New Brunswick. The Conservative government of New Brunswick, as my hon. friend knows full well, is the only government in that province that ever created a royal commission and gave everybody a chance to appear before it and give evidence against the department concerned and the government of the day. The door was thrown wide open and my hon. friend was one of those who took advantage of that opportunity. He appeared many times before the commission to have his charges sustained or otherwise.

Mr. VENIOT: Some of them were sustained.

Mr. SMITH (Victoria): When they were sustained, those guilty were punished, not exonerated.

Mr. VENIOT: What about Flemming?

Mr. SMITH (Victoria): He was punished. I regret that the hon. member for Gloucester has found it necessary to refer to one who has since passed away and who performed such a splendid service for his native province.

Mr. VENIOT: He punished himself. It was not the government that punished him.

Mr. SMITH (Victoria): It will be observed by hon. gentlemen that the hon. member for Gloucester and I agree on almost everything.

Mr. VENIOT: Especially to disagree.

Mr. SMITH (Victoria): There is one statement the hon. member made with which I am happy to agree, and that was that the public debt of the province of New Brunswick has reached an enormous figure; but we are not as badly off as many of the other provinces. We are able to meet our obligations in New Brunswick, and we always have met them. I consider it is one of the first duties of any government to see that the financial integrity of the people of the different provinces of Canada is fully maintained. I cannot but recall the many times I have heard my hon. friend from Gloucester, when he was Minister of Public Works in New Brunswick, stand on the floor of the legislature and tell the people that he was there to spend the money and he intended to do it. I ask him to state in all fairness who is responsible for the staggering debt of the province of New Brunswick. Is it one party more than the other? He knows that both parties are guilty. He should go back in his memory a little and recall the year 1925, when he placed a proposition before the people of the province which, if it had carried, would have made that province absolutely bankrupt. The people denounced him and his party at the polls and put another man at the head of affairs in the province.

My hon. friend referred to the wages paid in the lumber camps of the province and that is one point upon which we both fully agree. However, I expected that he would have been fair enough to tell this house and the people of this country that the provincial government of New Brunswick has been the first this season to pass an act to provide for minimum wages in the lumber camps of New Brunswick. That was an omission by my hon. friend. I am sure he must have overlooked it because he is usually so fair about these things.

Mr. VENIOT: I was not talking about the government of New Brunswick, I was talking about the conditions in the lumbering industry.

Mr. SMITH (Victoria): The hon. member referred also to the construction of hard-surfaced roads. A few years ago the province passed an act to empower the government to build hard-surfaced roads. At that time I took occasion to call upon the then premier and tell him that I did not think the financial condition of the province would warrant the construction of such roads. I still maintain that position, so the hon. member for Gloucester and I are on all fours in connection with this matter.

I apologize for the fact that conditions in New Brunswick have been brought into the picture to such an extent and have absorbed so much time of this house. I hope the few remarks I have made will clear the mind of the hon. member for Gloucester to some degree and make him realize the difficulties confronting the Minister of Labour, the Department of Labour and the heads of other departments in tracing such irregularities as he has referred to in his remarks.

Mr. E. J. YOUNG (Weyburn): Mr. Speaker, I cannot understand why this legislation has been delayed until this late date in the session. Parliament adjourns to-morrow for the Easter recess and does not reassemble until April 9. On the thirty-first of this month the relief bill of 1934 will have expired and unless this legislation is passed before the house adjourns to-morrow, the distribution of relief will automatically cease. Parliament is confronted with the necessity of passing legislation introduced only yesterday and which cannot have due consideration or of assuming the responsibility of depriving pepole of relief without which they cannot get along. Parliament has been in session for many weeks and there has been practically no important legislation before us. This and other bills should have been in our hands a month ago in order that we might give proper consideration to the matters involved. Instead of that, we find legislation being withheld until the very last minute. We are now up against the necessity of either putting this bill through by to-morrow night or assuming the responsibility of depriving people of their relief. I do not know what the government has in view in withholding legislation until the last minute. If their purpose is to get it through without due consideration, then I must congratulate them upon the success of their tactics. Parliament was not created and is not maintained for the purpose of putting through legislation without consideration, it was created for an entirely different purpose, to give consideration to important measures of this kind. When the Prime Minister (Mr. Bennett) was sitting on this side of the house there was no man in Canada who was more insistent on maintaining the rights of parliament but since he has become Prime Minister he is an entirely different man. We have never had a Prime Minister who was so intent upon usurping the rights of parliament and reducing it to a position of subservience. He is now repeating his performance of last year, of the year before and of the year before that by bringing down legislation at a time when we have to put it through almost without notice and without due consideration or assume the responsibility of depriving people of their relief.

I support my right hon. leader (Mr. Mackenzie King) in the statements he made yesterday with regard to auditing the accounts of the provinces in connection with relief expenditures. I remember the fall of 1930 when the leader of the opposition was insistent that an audit of these expenditures should be carried on continuously. I remember also how the Prime Minister objected and said that it would be an insult to the provinces to tell them that we were going to audit their accounts. But what happened? We have the report quoted yesterday by the leader of the opposition in which it is stated that the provinces have collected the gasoline tax from their own people and then collected the same tax over again from the federal government. The idea of these measures was to reimburse the provinces for the money they spent, not for the money they collected. The more they collect from the people, the more they collect from us. They have been collecting from us, not on the basis of money spent but on the basis of money collected.

If I understand the bill aright, its aim is to cure unemployment by the launching of an extensive program of public works. Surely the government has learned by this time that unemployment cannot be cured by the construction of public works. Other countries have tried and are trying it and surely the government can learn something from its own experience. The Minister of Finance (Mr. Rhodes) has asked us to give the government credit for being able to make its own mistakes; I wish we could give it credit for being able to profit by them, but I am afraid we cannot.

Mr. MANION: Do you ever profit by your own?

Mr. YOUNG: I try to.

Mr. McINTOSH: Give him a chance.

Mr. YOUNG: The only way unemployment can be cured in this or any other country is by a revival of industry. Every measure that tends to retard the revival of industry will increase unemployment; every measure that tends to decrease the burden upon industry will tend to cure unemployment. What is the trouble with industry to-day? The trouble is that the costs of conducting industry are greater than the returns to be expected.

Mr. MacNICOL: A little free trade.

Mr. YOUNG: I do not care what industry you are engaged in, whether it be farming, lumbering, manufacturing or a commercial enterprise, the expenses to-day in connection with carrying on that industry are greater than the returns you can expect to receive. That is the reason why industry in this country is stagnant and the only remedy is to remove some of the burdens which industry carries upon its shoulders.

One of the greatest burdens of industry is that of taxation. The Associated Chambers

of Commerce of this country have estimated that one-third of the national income is collected in the form of taxes by the various taxing bodies. If the figures quoted are correct, then the Chambers of Commerce have under-stated the case. If one-third of the national income is collected in taxes, that one-third is part of the national income. That is to say, the national income is the sum of the incomes of all the people. If the wealth created in this country is represented by two, that two represents the incomes of those engaged in industry. If the government collects one unit of that two in the form of taxes and turns it over to another class of people, the amount so collected becomes the income of those people and helps to make up the national income. Therefore, the national income becomes three but the taxes collected are one. That is one-third of the national income but one-half of the created wealth. So that if the figures of the chamber of commerce are correct we are collecting one-half of the created wealth of the country in the form of taxation. That is a burden that industry cannot stand. It means that whether you work at the plough, or at the bench, or at the lathe, or in the counting house, one-half of the product of your labour is being absorbed in the form of taxes. This measure before us, calculated to relieve unemployment by creating public works, will have the effect of increasing the tax burden of the country, and to increase the tax burden is to increase the burden on the back of industry, and therefore create more unemployment rather than reduce it.

Last year the building industry was only 15 per cent of normal. Why was it so low? Why do men not build houses? The first thing a man does when he contemplates putting up a house is to figure what it will cost him, and then he adds what the taxes will be after it is finished, and if the cost of the building, together with the taxes he will have to pay, is greater than the probable value of the building, he will not build. A proposal of this nature, which will add to the cost of building and add to the taxes that will have to be paid on the building afterwards, will further discourage him, so that instead of 15 per cent of normal, building will be less than that. Therefore your public undertakings, public works created to relieve unemployment, will result in more unemployment because it will discourage the building and other industries under private enterprise.

In 1930 we had before the house a bill which proposed to spend $20,000,000 on such a thing as this, to relieve unemployment. At that time we on this side warned the government that it could not be done. We told them that it would not relieve unemployment in the slightest degree; for before you can spend a dollar on public works you must collect that dollar from the people; and when you collect your dollars from the people you reduce their purchasing power by that amount, and when a man's purchasing power is reduced he buys less goods, so that the merchant sells less, the railways haul less, the factories produce less, and there is less employment in the country. So that these schemes which are put forward for curing unemployment through the creation of public works have this effect, that you might create a dollar's worth of employment where you spend a dollar, but you create a dollar's worth of unemployment where you collect the dollar, and the last condition is worse—worse, I say, because in addition to the expenditure on your public works you are saddling yourself with a maintenance cost which will reduce the purchasing power of the people in future years.

I know that some people say that we will print new money to pay for these works; we will not borrow the money but will print it and circulate it. What is the difference? When you print money you really borrow it. When you borrow money in the old fashioned way from the bank, or on debentures or bonds, you borrow from the rich and undertake to pay them back principal with interest; but when you borrow money by printing it you borrow chiefly from poor people and you do not pay them back either principal or interest. That is the essential difference between borrowing in the old fashioned way and printing money. I have here a Canadian dollar bill which states that the dominion will pay to bearer one dollar on demand. It is nothing but a promissory note, and if you print money to pay for these works you will be paying for them with promissory notes. What is the effect? The effect is this, that those who are engaged in productive industry will have to support not only their own industries but other unproductive works which it is proposed, I presume, to create under the provisions of this bill. What kind of works will they be? I do not know, but section 3, subsection (a) says that the governor in council may:

Provide for special relief,—

I do not know why the comma is there.

—works and undertakings under control and direction of the Department of National Defence and the Department of the Interior.

No limitation is set to the amount of money to be spent, no control over the works to be engaged in. Unlimited sums could be spent and the most fantastic schemes could be engaged in. They could undertake to build a paved highway across Canada, something which would be stupendously expensive to keep up later on. And what good would it be to anyone except a few tourists? Under the provisions of this act they could undertake, at Canadian expense alone, to build the St. Lawrence waterway. Not only that, but having started it, they could carry it on long after the expiration of this act, because section 10 declares:

> This act shall expire on the thirty-first day of March, 1935, but any obligation or liability incurred or created under the authority of this act prior to the thirty-first day of March, 1935, together with any liability for expenditures after that date for projects required to be completed in order to preserve the value of work already done may be paid and discharged out of the consolidated revenue fund notwithstanding the expiration of this act on the said date.

That is to say, they can undertake any works, and provided those works are undertaken before the end of March next they can commit this country, they will commit this country, to carry on such works to completion no matter what the expenditure might be. Under this act the Minister of National Defence—because he comes into it—could build fortifications in the arctic circle and no one could stop him.

Have hon. members considered what it would cost to maintain these works? The maintenance cost of public works must be stupendous, and yet it will all be charged against productive industry for all time. And then what will the government do with the unemployed in the remote districts? You cannot put up public buildings in every city, town, village and hamlet in Canada. These works must be located in certain places, and they are bound to be remote from a great many of the unemployed. You cannot take a married man away from home and set him to work in some far distant place without paying him sufficient wages to maintain himself at the works and his family at home, so that you will pay wages out of proportion to the value of the work done.

There are some public works which, perhaps, if the government is bound to adopt a policy such as this, they might consider, namely, public works of the kind which would be at least self-supporting and which would not saddle us in the future with maintenance costs. For instance, they might turn their attention to reforestation projects. They might reforest some of the waste lands, and in some of the prairie sections, where land is not fit for agriculture, it might be worth while to make experiments in the growing of trees adapted to that country to see whether the monotony of the prairies could be broken and these lands put to some useful purpose.

Mr. GORDON: The government has been doing that for two years.

Mr. YOUNG: I would recommend that they extend their experiments.

Mr. GORDON: We have set out about seven million trees or more.

Mr. YOUNG: Where?

Mr. GORDON: In the government camps at Petawawa and on other lands owned by the dominion government.

Mr. YOUNG: I am glad to hear it. They might also turn their attention to the draining of some of our lands. I am not an authority on this, but I have been informed that in some of the timbered areas trees would grow more quickly and be bigger if the water table were lowered somewhat. I do not know whether that is correct, but if it is, then a very profitable expenditure could be made in the direction of lowering the water table to promote the growth of timber in such areas. We have in some of our agricultural lands areas that would be better if drained; they would be more easily reclaimed. In some of the drier sections of the prairies it might be profitable, and I believe it is being considered, to find ways and means of catching the spring water and holding it against the drier summer season; not that enough water could be held to affect the climate seriously, but such reservoirs would help in the dry season and would provide men with water for their stock.

I would point out to the government that on the whole the financial situation of the country is such that we cannot afford to indulge in one dollar of unnecessary expenditure. We have to take care of the unemployed; we cannot see people starve in our midst; but the only thing to do is to do it in the cheapest way, and I submit that a program of public works is not the most economical way. We had some experience of it in 1930, when we found that it cost the

treasury $4 to put $1 in the hands of a worker. That is to say, for every $4 we spent, $1 went in wages and the other $3 for material and so on. I would suggest to the minister that he should not confine his expenditures to public works but should find cheaper ways of extending relief to people who are in great need.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, in the special session of 1930 the Prime Minister spoke thus on September 16, as reported at page 238 of Hansard:

He said: Mr. Speaker, in moving that you do now leave the chair, I do so because of the disturbed conditions that exist in this country and because of the circumstances that this parliament has been called to consider the problem of unemployment. I indicated a few days ago that the measures proposed were three in number, of which a tariff measure was one. Our tariff measure is not a general revision of the tariff, but deals only with such items in the tariff as it is believed will ensure additional employment to a large number of men and women in Canada.

This was a great speech. A little further on the Prime Minister continued as follows:

It is not for the purposes of protection that the tariff is being revised to-day. The resolutions that are being submitted to this house are not for the purpose of affording protection in the sense in which that term is usually used; but if that term is used to designate just what we, during the election, indicated that it did mean, namely, the giving to Canadians an equality of opportunity with others who are building up their country to enable us to build up our dominion, and to give fair competition to the worker in Canada, be it man or woman, then it is protection that we propose. There can be no doubt, Mr. Speaker, in the mind of any hon. gentleman within sound of my voice, that this government at least has a mandate to give effect to that policy.

It was naturally an experiment.

In every part of this dominion I was at great care to make it known to the audiences who listened to what I had to say, so that there could be no mistake as to what I meant, that in the event of their supporting candidates of our party they thereby supported a policy that would ensure fair competition to Canadian workmen and work women and equality of opportunity to Canadians to build up their country.

That sounded very nice. He continued thus:

A number of items only will be dealt with. They will be dealt with on the basis of the employment that will be given to those who are not now employed. And we have very definite assurances from the producers in this country—

Mark that, sir.

—that as a result of the action we are taking they will increase the number of men and women in their mills and factories. I said the other day, Mr. Speaker, that the number might be estimated at 25,000 within a reasonable time. I think that is too low an estimate, but I desired that the estimate should be at least conservative—as in keeping with the party for which I speak at this moment. When I say 25,000 I think I am understating the number of men and women who will find employment by reason of the action we are taking.

[Mr. Young.]

I shall now ask the hon. gentleman in this most important debate to answer from his seat and tell us who were those manufacturers who made that promise, and what was the promise, that was made. But I do not see the right hon. gentleman there, I do not think the Prime Minister is in his seat. Oh, I understand; Mr. Herridge must be in town, and his company is more interesting to the Prime Minister than the company of his colleagues. But, sir, we are discussing a most important matter. On Thursday last when we were discussing unemployment, the Minister of Labour was in his seat but the Prime Minister was not. Someone told me: "Herridge is in town." Yesterday we were discussing unemployment, the Prime Minister was not here. Herridge was in town! Herridge interests him more than the matter of unemployment. Perhaps the Prime Minister wants to hear the gossip as to how the St. Lawrence waterway treaty came to be defeated in Washington; that may be the big interest with him. We are discussing the most important matter of the session, the matter of unemployment,—unemployment created by his insane policy, but the right hon. gentleman is listening to gossip in some other room of the house. The captain is not on the deck. I think the attention of the house should be called to that. I am very sorry it happens that way, for I would like to have some answer to the very reasonable question that I have put, after reading excerpts from the speech delivered by the Prime Minister in the special session of 1930. But he is not here to answer; and if he were there would be no answer, for he always finds a way to evade answering reasonable questions put by members of this house. What was said then by the right hon. gentleman was most childish; he would have been most credulous to believe what was said to him by these manufacturers, promising to employ more men if the tariff were increased. Did they keep their word? No.

A little further on in the same speech the Prime Minister continued:

We propose therefore to provide that so far as may be reasonably possible the requirements of the 10,000,000 people living on the northern half of this continent shall be provided by Canadian producers.

What happened? We find distress, especially among the farmers and labouring men. What the government did at the suggestion of the Prime Minister in 1930 was to raise the tariff without taking the trouble to study the effect in detail. They raised the tariff at the request of these people who were filling the corridors of this house and pressing the Prime Minister for an increase of tariff without any due consideration of the merits. He had power, he used it, but did he relieve unemployment? At that time the number of unemployed was about 100,000, one for each hundred of the population. It was very easy for Canada at that time to give relief to the poor. Municipalities were doing that without even the assistance of the provinces. The works done at that time were normal works. But little by little, step by step, the number of unemployed increased until now at least one-third of the citizens of Canada are unemployed. The first experiment in unemployment relief was to raise the tariff, on the assurance given by manufacturers that they would employ more men, 25,000 more they said, but the Prime Minister said that was not enough; he would provide employment for more than that.

That was the first step. What happened at the same time? The Dunning budget that had been prepared with a view to giving opportunity to the Canadian delegates to discuss trade matters with other countries was thrown aside. The Prime Minister came back from London with empty hands. He was unsuccessful at the conference of 1930 because he had no policy. Then came the session of 1931. After having cut off the hands of Canadian trade at the special session of 1930 he cut off the feet of Canadian trade at the session of 1931. Then we had that famous imperial conference of 1932. Well, the government bears a great burden of responsibility. I try to be fair, I do not put the blame so much on the other ministers as I do on the Prime Minister. The blame attaching to them is that they do not tell him to go at once and let some other minister —any one—be the captain of the ship in these stormy days. We have had enough of those experiments with the butcher knife or the axe. Tariffs are not to be dealt with in that way. It is an extremely delicate thing, and when considering the tariff it is most important to take every precaution, to be well informed, to weigh the pros and cons and thoroughly discuss the change that may be suggested. The government has no plan. Why do we have this blank cheque policy? It is because the government program is blank; there is nothing to it. The Prime Minister decided nothing and waited until the last moment to urge the house to pass his legislation. All legislation should be carefully studied; that is most important. We have special rights as members of this house, rights that date back to the Magna Charta. Why were those rights put aside? It was because the government had no program at the time. In 1930 the government had no program except to raise the tariff; that was idealism. The Prime Minister said his party had a mandate to raise the tariff. Well, Mr. Speaker, many other matters were discussed during the campaign. The Prime Minister had a mandate to increase the price of butter, to the benefit of the producer. He had a mandate to bring prosperity to every home. That was why the people elected him by such a large majority, but if the people had known what was to happen in the latter part of 1930 and in 1931, 1932, 1933 and until the present do you think so many would have voted to support the policies of hon. gentlemen opposite?

The right hon. gentleman always comes along with a new experiment. Why does he not succeed in the government of this country? The reason is very simple; it is because he has disregarded and discarded Liberal policies. He put them aside and said, "Now we will try experiments." He was not qualified; he was not sufficiently prepared to make the change by himself. Sometimes I have the greatest commiseration for his ministers, some of whom are very able. They have no opportunity to be heard, because the power behind the throne is in Washington. I regret that very much. The members of the cabinet are in a very humiliating position; they are not equally gifted, but some are very able men. I am sorry that their opinion does not count. It is Herridge who bosses everything; the Prime Minister, instead of listening to the sound advice of his ministers, listens to gossip from Washington. I am sorry for those who suffer as a result; I am sorry for the workingmen, the farmers and men in every other walk of life—

Mr. SHAVER: Lawyers.

Mr. POULIOT: I say I feel sorry for those men, whether their representative sits on this or the other side of the house. We regret very much that it is impossible for the Prime Minister to concentrate. He suffers from travelitis; he goes to and fro. At the beginning of the session, when we were discussing important matters, he went to Toronto three or four times. He also went to Saint John in connection with the new construction at

that port, though it was the duty of the Minister of Marine to go, and he also went to Montreal. The Prime Minister cannot remain in his seat in the house; he cannot even stay in Ottawa. He has to travel around like a wandering Jew. We want him here in his place; when we have questions to ask we want him here to answer them. If he travels a good deal, sir, I am sure he does so because he is unable to answer the questions that are put to him by hon. members of the house. I resent it very much, not on my personal account but on behalf of the people whom I represent in this house. We have had enough of these experiments at the expense of the Canadian people; we have been fed with words long enough. The situation is very serious, and we should no longer tolerate the apparent indifference to what may happen in the country because of the fact that the right hon. gentleman desires to continue as Prime Minister at the expense of the prosperity of the Canadian people. Have we an iron man in this country? Yes, sir, we have; we have Eric the robot, and what is the difference between Eric the robot and the Prime Minister? The difference is that Eric the robot has been answering questions at some exhibitions in Montreal, according to the press.

Mr. McINTOSH: That is often more than we can get in the House of Commons.

Mr. POULIOT: Then the Conservative party will not elect Eric as their leader. I do not mean that very seriously, because I know that among the Conservative members, where I count some very dear friends, there are many who feel as I do. I have nothing personally against anyone in this house, but when I see the people in my home town and the surrounding district suffering because of the fact that this government and the Prime Minister have no policy, the only thing I can do is protest most energetically on behalf of my own and the entire Canadian people.

We hear at times, Mr. Speaker, that the Prime Minister is a very busy man. I submit that instead of wasting his time looking up the stenographic reports of my remarks in Hansard he should devote himself to finding new measures by means of which the condition of the Canadian people might be improved. The right hon. gentleman is responsible for what has been happening since 1930. He tells us that everything is going well, but what does he say when he feels that he has to give expression to his real feelings? He says the country has reached the limit of its credit. Those words mean a good deal coming from the Prime Minister; yet here we are faced with the expenditure of another $50,000,000. If Canada has reached the limit of its credit how can the government find $50,000,000 more? Then there is another point, sir. Some time ago, on March 19, Mr. Mussolini, who had a plan previously, enunciated a new plan. He announced a huge construction project, because he wanted to build houses for the Italian people. Then, on March 22, in answer to a question asked by my right hon. leader, the Prime Minister stated that he had promised to build a public building in the city of Hamilton, and from that remark the deduction was that the government would build new buildings at different points throughout the country. I have no objection to that. But if it is true that Canada has no credit, where will we get the money? That is an embarrassing position in which to find ourselves.

Some hon. members opposite paid a very high compliment to the Prime Minster when they compared him to Mussolini. One of them stated that Mussolini should feel complimented because a Canadian had been compared with him. These comparisons went to the head of the Prime Minister. The right hon. gentleman was compared with Mussolini or with Hitler because no one of the three of them either drinks or smokes. This may appear to be a negative comparison; in fact it is a comparison which could be made equally as effectively with corpses. A corpse does not smoke or drink. Therefore that comparison of the Prime Minister with Mussolini and Hitler, two dictators, is completely negative.

But, sir, let us go farther than that; let us think of the future. We will all die. The Prime Minister will die, just the same as any other hon. member. The only difference between him and me is that his body will lie in a mausoleum and mine will lie under six feet of earth.

Mr. SPEAKER: The remarks of the hon. member have nothing to do with the motion to give second reading to the bill.

Mr. POULIOT: We must consider this legislation in its true light, and we must realize that all hon. members will be submitted to the same judgment for their actions in this House of Commons. We must act fairly and give the right hon. gentleman credit for his sincerity. I believe he is sincere, but I regret from the bottom of my heart that some hon. gentlemen opposite and a section of the press have paid him compliments so high that they have gone to his

head. We must consider matters calmly. We are not in a position where we may make light of them.

When I think of the unemployment problem I am reminded that every day I pass a building on Elgin street which for a time was used as a church and is now used as a shelter for the unemployed. Why is it so? It is because the state is unable to take care of the unemployed, and private charity has to give assistance to the needy. I take this opportunity to make a statement which this week is of particular significance, namely that the church is giving that assistance. The unemployed men were in that church because they found shelter there. They are expecting and hoping for better times, and that sooner or later they may secure work.

Do we not remember that at the special session of 1930 from his seat in the house the Prime Minister said, "Those people do not ask for charity; they want work. We will not give them charity; we will give them work." How is it so many of those men are on direct relief? They are on relief because the government has no policy but is still operating under a blank cheque policy. What has been done under that policy? Money has been advanced to Newfoundland; private firms have received guarantees or support from the government; the state has come to the relief of individuals—conditions which, under a well governed state, should not exist.

I shall not speak at greater length in this connection but shall ask hon. gentlemen opposite to curtail all further laudatory exaggerations of the Prime Minister, and give him an opportunity again to become what he was when he acted as leader of the opposition. In those days he was a simpler man, but they have spoiled him. They have made him different from what he was, and they are responsible. I hope some day they will understand that in this House of Commons flattery is useless, and that members of the House of Commons are above it. Perhaps if hon. members opposite would realize the truth of what I am saying we might some day have from the government sound policies sufficient to meet present conditions.

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, in continuing the debate on this vicious piece of legislation may I say that I want to touch upon three phases thereof before the house. One is that if the government had a constructive trade policy we would not at this time be dealing with an unemployment problem. Some may say that because of a world situation we would have unemployment anyway. Well, to a certain extent that may be true, but the volume of unemployed we have to-day would not exist in Canada if we had a constructive national and international progressive trade policy. Secondly, I believe that the unemployment dilemma in which the government finds itself after four years of attempted rule has come about largely through its trade policy, and because the path it has been pursuing politically and otherwise has been absolutely unsound

First, with regard to trade it might be well to say that the condition now existing in Canada did not always obtain. In 1929 our trade with the United Kingdom was valued at approximately $625,000,000. In 1930, a year afterwards, it had dropped to $472,000,000. In that year the Liberals left office. Then, in 1931, when the present administration was getting down to business, trade dropped to $370,000,000, in 1932, to $290,000,000 and in 1933 to the paltry sum of $271,000,000. These figures indicate a drop in trade from over $600,000,000 to about $300,000,000, or a drop in the ratio of two to one.

In 1896 when the Liberal government came into power under Laurier, what did the Liberals of that day do? They inaugurated and put into effect a progressive empire trade policy. Although the policy was opposed by Conservatives of that day, notwithstanding the opposition, Sir Wilfrid Laurier and those who followed him attempted and succeeded in one of the greatest pieces of trade reconstruction that had ever been known in the history of the empire, and Canada benefited immensely from that move. In 1896 Canada had a trade with the United Kingdom valued at only about $99,000,000, but in 1911 after fifteen years of Laurier rule, it had reached about $250,000,000, or about two and a half times as much. In 1925, when the Liberals were in power, the trade had reached $548,000,000. Hon. members will note that under Liberal rule, trade with the United Kingdom rose from $99,000,000 to over $600,000,000. To-day it is down to about one-third of that; in other words, two-thirds of that trade has been destroyed. Is it any wonder we have unemployment? Is it any wonder we have about 1,300,000 people living on relief in this country and that we have thousands and thousands of unemployed, that the family life of Canada has been to a large extent disintegrated, and that we have the growth of ideas politically in many ways that are not for the good of this country? I do not think we need wonder at the conditions that have come about.

Take our trade with the United States. We find practically the same story. In 1929,

when the Liberals were in power under my right hon. leader, our trade with the United States amounted to $1,381,000,000; in 1930, $1,383,000,000. In 1931 it started to go down, the minute this government came into power, dropping in that year to $900,000,000. In 1932 it dropped to $600,000,000. There was a continual dropping and dropping, and with unemployment increasing until we are in the position we are in to-day. In 1933, just a year ago, our trade with the United States was $380,000,000. In other words hundreds of millions of our trade with the United States have disappeared just as hundreds of millions of our trade with the United Kingdom have disappeared.

This decline in international trade means a decrease in national business, and a serious reduction in national business means the destruction of employment and the introduction of unemployment until by degrees we find ourselves in the position we are in at the present time.

What about Canada's total trade—not our trade with the United Kingdom, not our trade with the United States, but Canada's trade with the whole world? That is an important thing to consider because the world is the ultimate economic unit, the ultimate trade unit, and if we do not measure up in world trade, then of course unemployment will appear and the financial and commercial state of the nation will go from bad to worse.

In 1929 Canada's position in world trade was a phenomenal one. Our trade in that year amounted to over $2,600,000,000. In 1930 it dropped to $2,400,000,000. But note the drop when this government came into power and on up to the present time. In 1931 it had dropped to $1,700,000,000; in 1932 to $1,100,000,000, and in 1933, last year, it had dropped to about $900,000,000, or about one-third of what it was in 1929. That does not take into consideration the fact that in 1933 the gold value of the dollar was only 87 per cent of its gold value in 1932, so really we ought to deduct ten per cent from the figure I have given for 1933, and if we do that we find that our world trade in that year amounted to merely $800,000,000.

Looking at it in another way, if we let the total trade of Canada in 1929 equal 100, and we measure our trade by that yardstick, we see that in 1932 our trade had dropped to 34 per cent, whereas world trade measured by the same yardstick dropped to only about 39 per cent. In other words Canada's trade dropped five per cent more than world trade. Surely that makes it plain that all the ills that have

come upon us have not been because of a world situation that has developed.

So, Mr. Speaker, we find that the causes of this destruction of trade are to be found in tariffs and trade restrictions, in war debts and the cessation of international lending, but above and beyond all may I say that in my humble opinion tariffs have done more to destroy world trade and bring about the unemployment situation in which we now find ourselves to-day than any other factors. The export trade of Canada in 1929 amounted to $1,300,000,000; in 1930, $1,100,000,000, and in 1933 it had dropped to $480,000,000. There is the trade picture of Canada in its relation to the whole world. I have given it to the house in relation to the United Kingdom and in relation to the United States, and the all-compelling thought is simply this, that the trade policy of this government has been a failure. Its tariff policy too is absolutely wrong. No country like Canada can prosper and grow and develop under a prohibitive tariff policy. In the history of Canada before confederation and from confederation down to 1878, and from 1878 to 1896, and from 1896 to 1911, and from 1911 down to the present time, anyone who cares to read will find that a prohibitive tariff simply destroys Canadan trade, interferes with business, and gradually brings us into a position where we have great unemployment and always a position that is not in any way favourable.

Second, what about the unemployment policies of the present government in 1930, the last time an appeal was made to the Canadian public? You will find that it gave many pledges and promises to the people of Canada—pledges and promises prophetic of its political doom. These pledges have already been put on Hansard, but with a federal election coming on—since we have come to the fifth session of this parliament—I think it is only well to again put on Hansard these widely-proclaimed pledges and promises, for I believe the Canadian people can read and re-read them with profit. They tell the whole story, and the whole story is this: The present government got into power by promises and pledges which they have not carried out. They have not measured up to their promises and pledges, but have done the opposite, so that to-day Canada is faced with the most serious unemployment situation it ever had. In 1930 they promised by a system of prohibitive protection to develop our natural resources. How much have they done, I ask you, Mr. Speaker, to develop our natural resources by prohibitive protection? I leave it to the parliamentarians and to the Canadian people to answer whether there has been any develop-

ment worth speaking of. Consequently that pledge has fallen down.

They—the Conservative high command—also pledged that by a system of high protection they would develop our agricultural and industrial life and keep the consumers from exploitation. Well, the deplorable story that we have heard in this house during the last few weeks, and the exploiting evidence that has been adduced in the committee inquiring into the spread between the price the producer receives and the price the consumer pays, furnishes a direct contradiction of the pledge of the federal government that it would by a protective tariff protect our consumers from exploitation. Had the pledge been put the other way, it would have been the truth. If they had said that by a system of high protection or prohibitive tariffs the consumers would be exploited from coast to coast, that would have foretold exactly what has taken place.

They also pledged to develop agriculture, the live stock industry, the dairy industry, and to bring about stabilization of economic conditions; to build up foreign trade and empire trade, and at the same time to have these compensating advantages extend to all other avenues of public life.

There are their pledges, practically seven or eight, and not one of which has been kept. Not one piece of constructive development has taken place in our Canadian national life in the last four years, no development of our natural resources, no building up of agriculture, no development of world trade or empire trade, and no stabilization of economic conditions. Not one of those pledges has been worked out, and in that we find the explanation of the fact that we have over one million people on relief in Canada to-day. What a record!

May I just touch for a moment or two upon some of the promises made by the Prime Minister (Mr. Bennett) and see how they measure up with present conditions and with this iniquitous bill now before parliament. What did he say? At Edmonton he said that he would face unemployment at once. But he has not faced unemployment at once or at any other time. He may have faced it but that is all he has done, he has not solved it. Again he said: "I accept the challenge." Any man who is a real man will accept a challenge and face it; he will bring about a condition of affairs so that the challenge will not hold good—will, in fact disappear. But the challenge is as good to-day as it ever was, showing that the Prime Minister has not accepted it in the real sense. He has thrown it aside and the challenge is there still, even worse than it was in 1930. What did he say at Chatham, New Brunswick? He said: "Put me into power and this bogy of unemployment will be destroyed." Has the bogy of unemployment been destroyed? Has it? It is bigger to-day than it ever was. In 1930 it was but a molehill but in 1934 it has become a mountain. The condition is more serious than ever. What did he say at Moncton? He said: "The Conservative party is going to find work or perish in the attempt." I think it will perish in the attempt.

This unemployment problem is the biggest problem facing Canada to-day. The Liberals are going to challenge the government on its lack of policy in not facing this question. Make no mistake about it, the unemployment problem is here and must be solved. If this government cannot solve it, then the Canadian people will soon see that a government is put into power that can solve it. We, the official opposition will watch in all seriousness and with all vigilance every move made by this government between now and election day. We will watch the government to see what policy it brings forth and how it is going to manipulate vainly to get out of the position in which it now finds itself. The only thing the government can do is to bring down a real policy, a policy that will build up trade, relieve unemployment and restore the confidence of the Canadian people.

According to the Ottawa Citizen of July 14, 1930, the Prime Minister said that he would solve the unemployment problem and if he did not he would ask his supporters from Quebec and other members of his party to put him out of office. He has not solved this problem and the members from Quebec have not voted him out of office. The members from the other provinces have not voted him out of office. They sit there day after day in a docile manner; they see the lack of policy with regard to unemployment, with regard to trade, with regard to finance and with regard to everything, yet they continue to vote to keep this government in power. They are opposing themselves to the promises made years ago by the Prime Minister.

What did the Prime Minister say at Vancouver? He said: "I will see that my promises are carried out or I will go out of power trying to do so." There is no doubt that those promises have not been carried out and may I say there is no doubt that he will go out of power trying to carry them out. At Winnipeg the Prime Minister said that he would meet the unemployment problem or perish in the attempt. At Sarnia he said that Canada

was in a critical condition. At that time the condition of Canada was not comparable with the condition to-day. If Canada was in a critical condition on July 17, 1930, Canada is in a much more critical condition to-day. He said: "Unemployment exists,"—unemployment to-day is tenfold and twentyfold what it was then; what is the government going to do about it? Proceeding, he said: "—on a scale which never before was known in the history of this country." To-day we have unemployment on a scale never before known in the history of Canada and yet this government is standing idly by without a policy. It has been completely beaten in its attempt to put Canadian industry and commerce on its feet.

At Montreal the Prime Minister said: "The first duty of a Canadian government is to provide work for Canadians." If that is the first duty of a Canadian government then this government has not measured up to its primary duty. It has not furnished work for Canadians. It has not furnished work in the maritime provinces, in Quebec, in Ontario, in the west or in British Columbia. What we want to-day is mobility or activity in exchange. If we get that we will prosper, if we do not get it, we cannot prosper. Canada to-day is without a policy, without leadership, without direction and without determination that something tangible must be done for the Canadian people. We have a government which does not inspire the Canadian people and the result is that conditions are not improving as quickly as they should.

Without dealing further with the promises made by the Prime Minister, may I say that the Liberal party has a policy with regard to unemployment. They had a policy in 1896 and unemployment disappeared in a year or so. When Laurier came into power in 1896 the Liberals opened up the great west and delivered this country from bondage. Laurier made a greater Canada and stood for a greater dominion. He gave scope to thought and action in this country and the result is that to-day we have a Canada from coast to coast. Again, when the Liberals came into power under my right hon. leader (Mr. Mackenzie King) in 1922 we had unemployment, but it lasted only a year or so until the Liberal policies were under way. Unemployment disappeared like mist before the morning sun. For eight years Canada had development, progress and prosperity. When I make the statement that the Liberals have a policy which if put into effect will solve the problem of unemployment, I am merely stating what is proved by history. It is not guess work, it is a fact. This statement is in accordance with the record of Liberalism in Canadian history.

What is the policy of the Liberal party with regard to unemployment? I assure the house that it is not a policy of prohibitive tariffs. Such tariffs have destroyed Canadian public life and business, both national and international. The time has come when we must have something different in this country. I do not intend to touch upon tariffs at any great length but I should like to give one example. The importation of mowers and binders affects all the farmers in this country. Under Mr. Borden the tariff on these articles was twelve and a half per cent; under Mr. Meighen it was twelve and a half per cent, but under the Liberal administration of the Right Honourable W. L. Mackenzie King it was only six per cent, one-half of what it was under Borden and one-half of what it was under Meighen. But what did this government do in this connection? What they did is known all over Canada. Is it any wonder that agriculture has been demoralized, is it any wonder that our farmers are discouraged when we realize what this government has done? Under Mr. Bennett the tariff on these articles was raised to twenty-five per cent, just four times what it was under Liberal rule. This is what is known as prohibitive tariff legislation and it is such legislation that destroys business and brings about conditions such as we have in Canada at the present moment.

What is the policy of the Liberal party with regard to this unemployment problem, the most crucial problem confronting Canada to-day? The Liberals always had a policy and they always will have a policy because the Liberal party is the party of progress, of idealism, of power, of determination and advancement. Those who stand by that party as did Laurier and the other leaders of Liberalism, will always be in the van of progress.

Now here is the policy of the Liberal party on this question of unemployment. The Liberal party stands for the liberation of external trade. That means that trade is in bondage at the present time, and the Liberal party will take external trade, international trade, overseas trade, out of bondage, out of slavery, and take the Canadian people out of slavery along with it. The Liberal party, in other words, believes that trade is the basis of industrial and commercial development, and that Canada needs trade. Heaven knows she needs trade, and more than that she needs a new government and new leadership at the same time. Moreover, the Liberal party will promote trade with all nations, and negotiate

trade agreements with every country willing to trade with this country on a reciprocal basis. The Liberal party will abolish extravagant increases in the tariff made by the present administration, which increases have had the effect of strangling trade, exploiting commerce and consumers and robbing the railways of business. The Liberal party will abolish all unwarranted extra taxes on imports, such as the exchange and dumping duties imposed by the present administration. The Liberal party will put an end to the making and altering of tariffs by executive action. The Liberal party will substitute stability for uncertainty in the administration of customs affairs, and will continue the Liberal policy of a British preference, by means of lowering the tariff to Great Britain rather than by a percentage increase in the tariff against foreign countries. The Liberal party will concede to British imports a real preference, and by so doing build up empire trade once more. Further than that, the Liberal party will make it possible for this country to trade with every nation in the world.

But let me go further. The Liberal party stands not only for the liberation of external trade but, in a complementary manner, it stands for the liberation of internal trade, because national trade and international trade go hand in hand. They are complementary; one supplements the other, and if you have one in the larger sense you will have the other, provided you pursue the right policy. And so the Liberal party stands firm for the liberation of internal trade. That means, just as it meant in connection with external trade, that our national or internal trade is also in bondage, in slavery, shackled hand and foot, so that it is impossible for it to function, and the consequence of that is that ten million Canadians are practically in poverty, and industrial stability and development from coast to coast is a thing of the past.

Now what is the Liberal policy, in its exact words, with regard to the liberation of internal trade? Here it is:

> The Liberal party will seek to end artificial price control and agreements in restraint of trade. Price-fixing by agreements restricts and hampers trade internally, and the internal trade of the country has become honeycombed and enmeshed by secret understandings and agreements.

How can national trade grow and flourish under such conditions? Yet this government, and those who sit behind them, have allowed a condition such as I have described to grow up until trade is strangled both inside and outside of Canada. In addition to these two important planks in the Liberal party's policy of building up trade and smashing unemployment, destroying it for good in this country, we have the Liberal party standing firm on the development of the primary industries, on the development of agriculture, mining, lumbering, the fisheries, and on the development of all other primary industries. Unless we free these industries basically we cannot expect secondary industries like manufacturing to prosper, and unless we make it possible for our basic industries, our primary industries and secondary industries to prosper, we shall not have much prosperity in this country, nor shall we get very far away from the unemployment condition that has ominously reared its ugly form in our land since 1930.

The Liberal party stands for the development of our primary industries along sane, constructive and progressive lines. The Liberal party will see that the right degree of democracy is instilled into every industry, whether basic or secondary, and may I quote its policy on this important point, "The Liberal party believes that industrial reconstruction is the problem of the future". It has not yet dawned on this government as the problem of the future, for there has been no industrial reconstruction so far as this government is concerned,—simply industrial destruction. Further than that, the Liberal party will seek in industrial relations, as opportunity offers, to give to workers and consumers a large share in the government of industry, control of industry by those who work therein, thereby bringing about satisfactory labour conditions and giving a lead to reconstruction not only in an industrial way but also with respect to labour, from coast to coast.

I am told that I have but ten minutes in which to conclude my remarks, and in that ten minutes I wish to deal with the bill before us. The preamble gives us an idea of what the bill ought to be, but it does not in reality tell us what the measure actually contemplates. I submit, Mr. Speaker, that this bill should not be before parliament. This bill is no honour to the Canadian dominion. This bill is no honour to a man who calls himself a British citizen, a Canadian, or a member nation of the great British Empire. This bill does not appeal to any man who has in him the blood of freedom and liberty that characterized our forefathers, who had to build up the empire, and whose descendants are calling upon us to-day to maintain this same liberty and freedom.

As far as I am concerned, I am not afraid to take a stand on this bill. I repudiate every word, every phrase, every syllable, every clause, and every paragraph of this bill, as far as its import on Canadian parliamentary and public life is concerned. It is not in line with Canadian democracy; it is not in line with British freedom or liberty; it is opposed to all these, and so far as these features are concerned I am opposed to the bill, whether every man in this house votes for it or not. These features I will willingly and anxiously oppose and do my best to destroy. Judging by the preamble, you would think the bill was a wonderful piece of work.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. 13, respecting the Buffalo and Fort Erie Public Bridge Company.—Mr. Stinson.

OATHS OF ALLEGIANCE ACT

On the order:

Second reading of Bill No. 34 to amend the Oaths of Allegiance Act—Mr. Lapointe.

Hon. ERNEST LAPOINTE (Quebec East): The Secretary of State (Mr. Cahan) has asked me to let this bill stand until he gets some information.

Right Hon. R. B. BENNETT (Prime Minister): I hope the hon. gentleman will look into this matter. The provisions of the Naturalization Act do not require an oath of allegiance that is in any sense affected by the statute of Westminster. It is only the act to which reference has been made and one or two others to which the suggested amendment would have any application. We have all been looking into the matter, because it was discussed in some of the states of the commonwealth. They have no oath of allegiance that is at variance in its terms with that which is contained in our Naturalization Act, which does not mention "dominions," "colonies," or "dependencies," as perhaps the hon. gentleman will recall. So far as most of ours are concerned they do not call for amendment and they are not altered in any sense by the provisions of the statute of Westminster.

Mr. LAPOINTE: But this is entirely within the jurisdiction of the parliament of Canada.

[Mr. McIntosh.]

Mr. BENNETT: I am not suggesting that it is not.

Mr. LAPOINTE: These words, the right hon. gentleman will admit, are not in harmony with our present status.

Mr. BENNETT: But they do not appear in the Naturalization Act oath of allegiance.

Mr. LAPOINTE: But it is not to amend the Naturalization Act; it is the oath of allegiance that everyone takes who enters the public service, and I do not think there is a form which is identical in all the dominions.

Mr. BENNETT: The oath of allegiance which is taken by those who become naturalized is a fixed oath which has nothing to do with the question of dominions and is not affected by the statute of Westminster.

Mr. LAPOINTE: But I think this is a different matter altogether.

Bill stands.

Mr. SPEAKER: The business of private and public bills having been completed, the house will revert to the adjourned debate—

Mr. RHODES: No, Mr. Speaker, I move that you do now leave the chair for the house to resolve itself into committee of supply.

Motion agreed to and the house went into committee of supply, Mr. Tummon in the chair.

SUPPLY

RAILWAYS AND CANALS

Deficit of Canadian National Railways

Amount required to provide for payment to the Canadian National Railway company of the net income deficit, including profit and loss, incurred by the system during the year 1933, as certified to by the auditors in the annual report of the company for the year 1933, but exclusive of all non-cash items, including interest on dominion government advances, and exclusive of eastern lines deficits, as further certified to by the auditors and approved by the Minister of Railways and Canals; this payment to be applied in reduction of accountable advances made to the company from the consolidated revenue fund under authority of the Canadian National Railways Financing Act, 1933, $52,263,819.05.

Mr. BENNETT: The item stood for the purpose of having the minister look into the question of the accuracy of the figures. Forty-seven millions of this was included in last year's estimate, and the remaining $5,000,000 represents the added deficit. In order to make the matter free from technical difficulty the law officers advise that the whole estimate be dealt with.

Item agreed to.

Mail subsidies and steamship subventions—British Columbia and Australia and/or China, service between—further amount required, $39,600.

Mr. LAPOINTE: What is the explanation of "and/or China"?

Mr. STEVENS: That is the wording that has been used for about six years. It really is unnecessary because it does not at the present time apply to Australia. The contract for this service was entered into in October, 1932, and last year's estimates did not quite cover the full amount required on a per voyage basis.

Mr. REID: Is so much a trip paid to the steamship company?

Mr. STEVENS: Yes.

Mr. REID: Would this amount be necessary because of extra trips?

Mr. STEVENS: Yes.

Mr. DUFF: Is this in addition to what we passed in the main estimates?

Mr. STEVENS: Yes, the main estimates of this year.

Item agreed to.

Labour: Annuities Act, further amount required, $30,000.

Mr. MACKENZIE KING: Would the minister explain why he requires this extra $30,000?

Mr. GORDON: When the labour estimates were up a short time ago I made an extensive explanation of this amount. It arises by reason of the increased sale of annuities, which last year was very considerably greater than in any other year since the legislation was passed. This amount is to take care of the commissions due the agents.

Mr. MACKENZIE KING: Were not commissions paid previously?

Mr. GORDON: Yes. There has been no change in the commission, but the business grew to such an extent that the vote of last year was insufficient by this amount.

Item agreed to.

To provide for the expenses of the Saskatchewan resources commission, $15,000.

Mr. GUTHRIE: This is the commission now sitting in respect to the natural resources, as between the Dominion of Canada and the province of Saskatchewan. The proceedings are similar to those taken four or five years ago as between the dominion and the province of Manitoba.

Mr. LAPOINTE: Who is representing the Dominion government before this commission?

Mr. GUTHRIE: The board of commissioners or arbitrators was agreed upon between the province and the dominion. The chairman of the board is Mr. Justice Dysart of Manitoba. Mr. Justice Bigelow, I suppose you would say, represents Saskatchewan, though he was agreed upon, and Mr. McDonald, a chartered accountant of Montreal, was the third man agreed upon. The counsel are Mr. McGregor Stewart, K.C., of Halifax, and Mr. Hunt, K.C., of Winnipeg, representing the dominion, and Mr. Gordon, K.C., of Regina, representing the province.

Mr. LAPOINTE: Can the hon. gentleman give me an idea of the amount claimed by Saskatchewan?

Mr. GUTHRIE: I do not think the original figures have been reduced. If Saskatchewan were to receive the claim which they have estimated, it would run to probably $75,000,000 or $100,000,000.

Item agreed to.

DEPARTMENT OF MARINE

Canadian radio broadcasting service, further amount required, $25,000.

Mr. SANDERSON: I should like to ask the minister for an explanation as to why this money is required.

Hon. ALFRED DURANLEAU (Minister of Marine): This is to cover the cost of the transmission lines necessary to broadcast throughout Canada the concerts of the Metropolitan Opera Company and the New York Philharmonic Society from December 1 last on Saturday and Sunday. When the estimates were voted last year, the broadcasting of these programs was not contemplated. This amount is covered by the licence fees; the public is paying for these broadcasts, and these programs have been very popular.

Mr. SANDERSON: Are contracts entered into with the Metropolitan Opera Company and the other organization, or on what basis are they paid?

Mr. DURANLEAU: I am not prepared to give particulars as to that; I know some arrangements have been made by the radio commission with the Columbia Broadcasting Company, but I cannot give the details. These programs do not cost the country anything except for the transmission lines throughout Canada.

Mr. STEWART (Edmonton): Is this to pay the cost of the hook-up?

Mr. DURANLEAU: Yes.

Mr. SANDERSON: The minister said he did not think it cost the country anything. How does he arrive at that conclusion?

Mr. DURANLEAU: This amount is covered by the licence fees; the public is paying for this service. These programs have been broadcast throughout Canada on Saturdays and Sundays, but as these broadcasts were not contemplated last year there was nothing in the estimates to provide for the cost. Since December 1 we have expended $25,000 for that purpose, and I believe the public is well satisfied with these programs and ready to pay for them through the licence fee.

Mr. SANDERSON: Is the minister sure of that?

Mr. DURANLEAU: It looks like it, because from all over Canada we have heard praises of these programs by the Metropolitan Opera Company and the philharmonic society.

Mr. LAPOINTE: Will my hon. friend say what sort of agreement exists between the radio commission and station CHRC in Quebec city with regard to the programs of the commission? For example, these great opera performances are very popular, as my hon. friend says, but in Quebec city when these programs are being broadcast on Sunday afternoons, station CHRC prefers to broadcast the hockey games of the Canadian-American hockey league. I do not know how many people prefer to listen to those hockey broadcasts, but many complaints have been received during the course of the winter. We have been told that the station broadcasts the programs of the commission, but is it bound to do so if it has something which it is paid to broadcast, and which is a better proposition than the commission programs? Is there any agreement with CHRC which binds that station to broadcast the programs of the commission?

Mr. DURANLEAU: We were informed of the complaints in that district to which my hon. friend refers, and I am pleased to tell the hon. gentleman that recently we authorized the construction of a relatively powerful station in Quebec in order to give entire satisfaction to that district. The new station will be operated under the control of the commission.

Mr. LAPOINTE: Altogether?

Mr. DURANLEAU: Yes, altogether, and these programs will be broadcast in the Quebec district.

[Mr. Duranleau.]

Mr. EULER: When the department issues the licences is there any understanding that the radio commission is entitled to broadcast its programs through any station to which a licence is given? I have asked that question because I am told there is at least one station to which the commission has no access whatsoever. I suppose that station has contracts which are more remunerative than commission programs would be. Can the minister give us any information in this regard?

Mr. DURANLEAU: Under the regulations I believe the commission has power to compel the broadcasting of its programs upon any stations. I believe there are fixed rates of so much per hour, and the commission has the power to see that its programs are broadcast.

Mr. EULER: I am told that there is at least one station through which the commission cannot broadcast.

Mr. DURANLEAU: I am not aware of any.

Mr. BENNETT: It has power under the law to compel the broadcast.

Mr. EULER: They are not doing it.

Mr. BOTHWELL: Does this vote mean that the radio commission has used the million dollars we voted last year, and requires this further sum?

Mr. DURANLEAU: Exactly.

Mr. BOTHWELL: I am very glad to hear the minister say that the people of Canada are pleased with the programs he is getting from New York. I expect those expressions of approval must have been made within the last month or so, because I have not heard a single person in any part of Canada compliment the radio commission upon its work. I believe we would be making a mistake to vote the radio commission any moneys in excess of their estimate, until they make some showing for the money which has already been appropriated.

Mr. JACOBS: When this commission was brought into being last year we were assured that they would be self supporting and could proceed under their own motive power. Now the people of Canada are asked to vote another $25,000.

Mr. BENNETT: No, this is part of the licence fees.

Mr. EULER: They do not spend it all, do they?

Mr. JACOBS: It is in addition to the money already voted, as I understand it.

Mr. DURANLEAU: If my hon. friend will allow me to say so, the fact is that last year we did not vote the full amount of the moneys paid by the public for licences.

Mr. JACOBS: What amount was voted last year?

Mr. DURANLEAU: One million dollars.

Mr. JACOBS: We were assured that would be all that was required.

Mr. DURANLEAU: That was what we expected last year, but as I explained to the committee we did not at that time contemplate broadcasting programs from New York. Requests were made for these programs from so many people that the commission had to take action. It is the excess expense for transmission lines which we are now asking the house to vote.

Mr. EULER: How much was actually collected by way of licence fees?

Mr. DURANLEAU: My memory is that in round figures we collected about $1,450,000.

Mr. EULER: And expended only a million?

Mr. DURANLEAU: A million, plus the cost of collecting the licences.

Mr. EULER: How much would the surplus be?

Mr. DURANLEAU: It would be about $250,000 I would suppose.

Mr. EULER: What becomes of the surplus left over?

Mr. DURANLEAU: It is left for the use of the commission, when required.

Mr. EULER: It does not go into the general fund?

Mr. DURANLEAU: Of course it is paid to the treasury of the country, but if needed it is always at the disposal of the commission.

Mr. EULER: Would it be true to say that some of the money received from the payment of the $2 licence fee may be used for other than radio purposes?

Mr. DURANLEAU: It is not contemplated by law.

Mr. EULER: I do not think that would be fair.

Mr. BENNETT: It all goes into the consolidated fund, and only a certain part of it is used.

Mr. EULER: Is the balance earmarked for radio purposes?

Mr. BENNETT: No.

Mr. FAFARD (Translation): Mr. Chairman, would the hon. minister inform the house why he refused to renew the permit of the broadcasting station at Montmagny? This station broadcasted excellent programs in that district, it also permitted the people on "Ile aux Grues," who are entirely isolated in the winter, to communicate with the mainland.

Mr. DURANLEAU (Translation): I am informed that this station had an amateur's permit. At the request of the Canadian Radio Commission, it was not renewed. The minister, in these matters, is guided by the commission. I wish to inform my hon. friend that the people of "Ile aux Grues" are in communication with the mainland through the broadcasting stations kept up by the Public Works department; they are entirely satisfactory.

Mr. FACTOR: The programs of the Metropolitan Opera Company and the philharmonic orchestra were broadcast without expense to the Canadian public before the radio commission began operations. Who receives the money for broadcasting these two programs? To whom is the money payable?

Mr. DUFF: Mae West.

An hon. MEMBER: Carried.

Mr. FACTOR: No, it is not carried. I want to ask who receives the payment of these amounts.

Mr. NEILL: To whom is the money paid?

Mr. DURANLEAU: I understand that the commission has an arrangement with the Columbia Broadcasting Company for the broadcast of those programs in Canada. The commission does not receive the money for it.

Mr. FACTOR: Is it the minister's opinion that this money is being paid to the Columbia Broadcasting Company for permission to broadcast those programs?

Mr. DURANLEAU: I told the house my information was that nobody was paying for those programs.

Mr. FACTOR: What is the money for, then?

An hon. MEMBER: Tell him again.

Mr. DURANLEAU: The expense is for the services of the transmission lines only. It may be that that amount is paid to the Columbia Broadcasting Company; I am not sure. That expense has been incurred since last December, but only to meet the charges of transmission lines.

Mr. FACTOR: As I understand the radio situation the chain broadcast consider themselves privileged when a station throws itself open for the broadcast of their programs. For using the facilities of the radio commission the Columbia or National chains ought to pay the Canadian Radio Commission for the privilege of broadcasting. I should like to know why it is necessary to vote these moneys to have such programs broadcast.

Mr. JACOBS: In other words, we should ask for $75,000 from them, rather than pay them. That is the suggestion.

Mr. MITCHELL: I think it is evident that only a few hon. members have listened to these programs. Had they done so they would have learned that the programs in question are made possible through public subscriptions. They are not sponsored by advertisers, and those hon. members who have listened in will know that a prominent newspaper man of New York makes an appeal to the audience for funds. On one occasion I heard him tell of a subscriber in one of the Carolinas who had contributed $50,000 towards the program.

Mr. DUFF: Speaking for the Prime Minister and myself I must object to those secular concerts being broadcast on Sunday afternoons. The Minister of Marine has said that the people of Canada were very much pleased with the different concerts. I am very much afraid that the minister has had his head in the air instead of having his ear to the ground, because there is no question in my mind that the concerts and the reception in Canadian radio to-day is not as good as when Commander Edwards did the whole thing for a much smaller sum of money than this commission is costing the country.

Mr. IRVINE: I do not wish to enter into a discussion of this matter, but I should like to point out that there are some people in Canada who would be very glad to wreck the Canadian Radio Commission. I do not think we should be over critical of an institution which has had very little time to perform a very great task, without having much precedent to follow. It was practically a new business and had to be organized from its inception. On the whole I think the commission has done very well. I believe that there is considerable agitation throughout the country to try to upset the commission and get the whole thing back again into private hands, but while hon. members have every right to question every expenditure and be critical, I think we ought to go a little slow in our wholesale criticism of the radio commission. Personally I think it has been a great improvement. The programs are very much better than they were, and in another year I believe that there will be much greater improvement. I for one have every sympathy for the commission.

Mr. SANDERSON: What is the total amount paid by the radio commission to broadcasting companies in the United States?

Mr. DURANLEAU: I am not in a position to give that information to my hon. friend. The question might be brought up when the main estimates are under consideration. We have set up a committee specially to deal with radio and my hon. friend is, of course, at liberty to go before that committee and get any information he likes from the commissioners who I understand are attending every sitting. This amount of $25,000 is for the transmission lines not only in the United States but in Canada; for these programs are broadcast throughout this country.

Mr. McINTOSH: That makes it all the worse if the programs are no good.

Mr. SANDERSON: The minister's answer is not very satisfactory to me. It raises the question that we debated in this house last year. We have a responsible minister of the crown and we have the chairman of the radio commission, and yet when the radio estimates come up in the house the minister seems to have no knowledge of what is going on. This matter was fully discussed in the house last year, and I think the minister should prepare himself to answer questions that may come before this committee. We cannot question the chairman of the commission in the House of Commons, and while hon. members may attend the meetings of the special committee it is not always convenient for them to do so. It brings us back to the point that was raised last year, that the minister is responsible or should be responsible for the chairman and the members of the radio commission, and he should have the necessary information before him when his estimates are considered in the house.

Mr. MORAND: Inasmuch as I am at the present time chairman of the committee that is hearing evidence on radio I do not pro-

pose to make any lengthy statement in reference to this matter, but I should like to say, in all fairness, that these programs from New York come into Canada free of charge right up to the stations in Canada. More than that, the National Broadcasting Company and the Columbia system in the United States are paying the copyright privileges, so that it costs nothing for Canadian listeners to get these programs except the cost of their transmission throughout Canada.

Mr. SANDERSON: I would ask my hon. friend what is the total amount paid for that transmission throughout Canada.

Mr. MORAND: It is so much an hour.

Mr. SANDERSON: What is the total amount it has cost us?

Mr. MORAND: I have not those figures but I shall be glad to get them for my hon. friend in the committee, where they can be conveniently submitted.

Mr. NEILL: The experience in the district I represent is twofold. In that part which is conducted by the minister's own department, that is the taking care of interference, there has been a great improvement, and I am glad to testify to it. They are doing good work. As regards the radio commission part, there is only one complaint, but it is quite a considerable one, and that is that it is of no use because we cannot hear the programs. I get information from over a wide area, and of course I have my own experience, and it is that since the commission has taken this over we cannot get the Vancouver station. They have jumbled the channels or done something which prevents us from hearing Vancouver. That is the universal complaint from distances as far apart as two hundred miles from where I live. We cannot get the radio commission station in Vancouver, but before the commission took it over we had no trouble in hearing it.

Mr. LUCHKOVICH: I have a letter that I received in the mail five minutes ago which I might read to give the committee some idea of what the rank and file think of the radio commission. The trouble at the present time is that the radio commission is responsible both for policy and for administration, and this has subjected the commission to much criticism that might be avoided if the thing was put on a broader basis. To show what the people back in the rural parts of this country think of the present radio commission I quote from this letter:

> The radio programs have been excellent on the whole. Very good, I should say, without flattery. Before (American programs now) there was too much shrieking about soap, razor blades, patent medicines, jack-rabbits, this and that, plus chewing gum, so that all effect was marred by the trivial advertising. Commission programs carry no advertising, and so are a great improvement. Seems to me, members know not what are long winter evenings here in remote western villages and settlements. It is sometimes blowing and very cold for weeks at a stretch. You have to keep inside and cannot read all the time or play cards, and can't show your nose outside. It is then that good radio is appreciated. If you know these men tell them that radio keeps us from being insane—no one knows this more than we do—in remote settlements.

This letter comes from the constituency of the hon. member for South Battleford (Mr. Vallance) and is dated March 12, 1934. It comes from Hafford, a little village.

Mr. McINTOSH: I think you have got the name of the riding wrong.

Mr. LUCHKOVICH: No.

Mr. McINTOSH: I think you have.

Item agreed to.

Resolutions reported, read the second time, and concurred in.

WAYS AND MEANS

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Maloney in the chair.

Mr. RHODES moved:

> Resolved that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the financial year ending 31st March, 1934, the sum of $52,661,304.36 be granted out of the consolidated revenue fund of Canada.

Mr. DUFF: There is no ten per cent deduction in this?

Mr. RHODES: No.

Motion agreed to.

Resolution reported, read the second time and concurred in. Mr. Rhodes thereupon moved for leave to introduce Bill No. 52, for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1934.

Motion agreed to, bill read the first and second times, considered in committee, reported, read the third time and passed.

UNEMPLOYMENT AND FARM RELIEF

BILL IN TERMS GENERALLY OF RELIEF ACT, 1933, WITH PROVISION RESPECTING DELAYED RELIEF ACCOUNTS

The house resumed consideration of the motion of Mr. Gordon for the second reading of Bill No. 42, respecting relief measures.

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, when the house rose at six o'clock I had dealt with two of the angles of the bill before the house, namely, the question of trade and trade policy upon which depends in the last analysis employment or unemployment in any nation and, second, the question of unemployment, its causes in a general way and the Liberal trade policy which if put into effect in Canada will surely destroy and put to rout the unemployment conditions which exist in this country at the present time. There is a third aspect of the measure with which I want to deal. We are told in the preamble of this bill that it is proposed to furnish financial aid to the provinces by way of guarantees, advances and loans; second, to further the unhampered prosecution of direct relief and a works program in order to help the unemployment situation and, third, to maintain dominion and provincial credit. These are three worthy objectives and I have no fault to find with any bill trying to arrive at any one of them. From a practical point of view I would be willing to support the government in its desire to give financial assistance to the provinces, to further direct relief and to uphold the credit of the dominion and the provinces.

However, when I go beyond the preamble and come to the blank cheque principle and the further principle, closely allied to it, of destroying the power of parliament, then I am opposed to the bill. As far as the principle of the blank cheque is concerned, this brings us face to face with the question of the control of parliament over expenditure. I should like to put on record the position of the Liberal party with regard to this important question. I have in my hand a book entitled "Evolution of the Dominion of Canada" by Edward Porritt. This is a very important publication and on page 149 appears some of the things for which the Liberal party stood for in days gone by. They are:

Reform in the method of sale of crown lands.

Abolition of customs houses and duties on imports.

An elected legislative council.

There has been an abolition of nearly all the legislative councils in Canada. The Liberal party also stood for:

Election by county and municipal councils of all county and municipal officers.

An extension of the electoral franchise.

No expenditure of public money without the control of the legislature.

Representation according to population.

Abolition of pensions to government officials.

Canadian commerce and commercial intercourse with other nations to be entirely under the control of the legislature.

The legislature to have power to alter or repeal any act or charter, imperial or otherwise, affecting only Canada, which the imperial parliament itself might alter or repeal.

I should like to refer to the one paragraph, no expenditure of public money without the control of the legislature. The bill now before us is designed to spend public money and no figure is incorporated in the bill. We can spend hundreds or thousands, millions or hundreds of millions, and if we pass this bill we shall be relinquishing the power of parliament to control revenue a historic principle for the preservation of which the Liberal party in days gone by opposed the Conservatives. It was as a result of that opposition that we have that principle incorporated in our constitution. But this government is taking the same stand which the party it represents took one hundred years ago with respect to this very important fundamental. Hon. gentlemen opposite are opposing the very foundation of parliamentary government and of constitutional rule in Canada, and as a Liberal I am obliged to stand up and oppose such a course. I oppose the Prime Minister, every minister of the cabinet and every member behind the cabinet in my contention for this principle. Let me show the attitude of the Tory party throughout the history of Canada towards this important principle; you will see that where the party stood one hundred years ago it stands to-day. It has made no progress—absolutely none. At page 111 of the same work to which I have referred there appears the following:

The claim for responsible government was conceded in 1841. The concession was withdrawn in 1843, but was completely and finally conceded in 1849. Its first and its final concessions were due, not to anything actually stated in the act of 1840, although that memorable act was the key to all the constitutional freedom now enjoyed by all the dominions. They were due to the statesmanship and democratic spirit of Sydenham, Bagot, and Elgin, three of the four governors-general who were in office from 1839 to 1850, and also, it is important to note, to the new policy literally forced on Downing street by the

Liberals of Upper and Lower Canada, who were in control of the legislative assembly of the United Provinces, during the first decade of the constitution of 1840.

So that where the Conservative party stood in 1840, in 1841 and in 1848 the Conservatives of the present day stand; and the Prime Minister's attitude is directly opposed to the stand taken by Bagot, by Sydenham, by Elgin and by Durham, yes, by all constitutional leaders. I say therefore that the right hon. gentleman is diametrically opposed to the parliamentary principles of liberty and freedom on which this great dominion is based.

Le me go further. At page 137 of the same work I find the following:

A disposition to observe constitutional usages and practices was never characteristic of the Tories of the Family Compact groups in Upper and Lower Canada.

That disposition has never been characteristic of them, and it is not characteristic of the Conservative party in this dominion at the present time. They are out to undermine responsible government and to destroy parliamentary control in Canada; and I fancy that when the country is appealed to, this constitutional problem, together with other problems that will evolve as this parliament proceeds, will receive the consideration of the people. I have no doubt about that, and I am satisfied to abide by the decision of the electorate. The author says further, with reference to the Conservatives:

They were a law to themselves, as was sufficiently proved by their ejection of Mackenzie from the assembly at Toronto. They again ignored constitutional usage in the crisis over the rebellion losses bill. They organized many petitions against the bill; but instead of presenting these petitions to the assembly, or to the legislative council, in accordance with the usage at Westminster, they addressed them to Elgin personally. This unconstitutional course was obviously adopted with the design of bringing about a collision between the governor general and his ministry and the assembly.

Mr. SPEAKER: The hon. member has spoken forty minutes.

Mr. McINTOSH: I am sorry I have not more time to conclude what I have to say with regard to this constitutional question—Conservative disregard of parliamentary authority—which is becoming more and more important in Canada every day that this government is in power.

Mr. L. DUGUAY (Lake St. John) (Translation): Mr. Speaker, I did not intend to take part in this debate, thinking that the discussion on this bill would be very brief; however, I have changed my mind, after listening to hon. members opposite repeating their speeches of the last three years. I wish to point out that the right hon. leader of the opposition (Mr. Mackenzie King) was the only one who had anything somewhat new to suggest. By the way, I warn him to be on his guard, because Mr. Taschereau may, one of these days, send him a little note reproaching him for insulting the people of Quebec. I have had some experience in this respect. The right hon. leader of the opposition strongly criticized the provincial governments in connection with the unemployment problem. I quite agree with him in this matter. May I state, sir, that this question was brought up in the house, even before the Conservative party came into office. An attempt is being made to have the people believe that the unemployment crisis prevails only since the right hon. Prime Minister (Mr. Bennett) is at the helm of the country's affairs. May I point out that, on March 31, 1930, the hon. member for North Winnipeg (Mr. Heaps) introduced in the house the following resolution:

That, in the opinion of this house, the government should take immediate action to deal with the question of unemployment.

Therefore, the unemployment problem existed in 1930, before the Conservative party assumed power.

What did the Prime Minister of the day reply?

On April 3, the right hon. Mr. King stated:

We have no right to state that an unemployment crisis exists in this country.

On April 8, this motion was defeated by a vote of 100 against 81. All Liberals voted against extending help to the unemployed.

However, a general election took place and in the course of the summer the present leader of the opposition toured the whole of Canada. He became aware that the unemployment crisis which prevailed had spread more than he had thought, the fact is, sir, as all are aware, that when hon. members opposite are in office, they are not interested in finding out what are the needs of the people, their only aim is to maintain themselves in power and cater to their friends. The leader of the opposition became aware then that an employment problem did exist. What remedy did he bring to bear? He proposed that a commission be appointed. Fortunately, the people were not deceived by this commission, for they elected the present Prime Minister

who immediately, in 1930, summoned parliament for the purpose of enacting measures to relieve unemployment.

In September, 1930, the government appropriated $20,000,000 toward relieving unemployment. What attitude did the Quebec premier take in this connection? He contended that the Dominion government had not appropriated a sufficient amount to relieve unemployment, though he, himself, had proclaimed in the course of the 1930 election that there were no unemployed in his province. Why? Simply to be in unison with his very dear friend, the Right Hon. Mr. Mackenzie King.

The right hon. leader of the opposition four years later discovers irregularities in the distribution of moneys to relieve unemployment. Everybody knows that the Dominion government could take no other means than to have the distribution done by the provinces and municipalities. The irregularities were committed by the provincial governments. In the cases quoted in the house, by the leader of the opposition, we concluded that the principal irregularities took place in Quebec. Why? Because, unfortunately for the Quebec people, the leader of the provincial government is a Liberal.

May I, sir, read what the hon. leader of the opposition stated in the house on January 29, 1934:

> Everyone who knows what has taken place with respect to relief moneys in the provincial elections which have been held is aware of the manner in which public moneys have been used by the governments of those provinces or of the dominion in order to give employment to large numbers of men during the period of elections. The day after the elections the work in large part has been stopped; it had served its particular purpose.

Mr. BARRETTE (Translation): For instance, in Yamaska!

Mr. DUGUAY (Translation): What governments, since 1930, have held elections and profited by this relief work? I am aware of one, namely the Quebec Liberal government which, on the day following the election, dismissed all the unemployed who had been given work, because, having once more stolen the election, the Quebec government had no further need of their services.

However, the Quebec premier's attitude is not for us a matter of surprise. It is no more liberal than the attitude taken by the Prime Minister of the dominion in 1930. In the debate which followed the motion of the hon. member for North Winnipeg, the Right Hon. Mr. Mackenzie King, on April 3, 1930, page 1227 of Hansard, stated:

[Mr. Duguay.]

> May I conclude what I have to say? So far as giving money from this federal treasury to provincial governments is concerned, in relation to this question of unemployment as it exists to-day, I might be prepared to go a certain length possibly in meeting one or two of the western provinces that have Progressive premiers at the head of their governments—
>
> Some hon. Members: Oh!
>
> Mr. Mackenzie King: —but I would not give a single cent to any Tory government.

That is, sir, what would have been the stand taken by the Dominion government had the Liberals remained in power. That is why I stated at the outset of my speech that I agreed with the right hon. leader of the opposition when he strongly criticized the Liberal governments for having appropriated public funds purely and simply for political purposes. This happened in the province of Quebec on numerous occasions. I could bring out facts which go to show that the right hon. leader of the opposition was quite correct in stating that the unemployment funds were unfairly distributed. I have no hesitation in revealing the facts to the house. In 1931, a wholesale merchant sold to a dealer in my district some goods. Finding it difficult to meet his liability the dealer offered the wholesale merchant provincial government bonds to cover his debt to him. It was accepted, in 1932, and it was only in March that he received payment for the goods sold in 1931 and delivered to settlers in the course of February.

Mr. BARRETTE (Translation): What year were they paid for?

Mr. DUGUAY (Translation): In March, 1934. That is how these goods were paid for. The wholesale merchant was given a cheque with the words "charge chômage 1932" written across. To this was attached a voucher which read as follows:

> Goods delivered to settlers in the course of February, 1933.

The outcome is that the Quebec government settled its stolen election debt in 1931 with the Dominion government funds or else, stated this merchant, my knowledge of business is short.

Similar dealings were clearly evidenced in the report of any inquiry held and laid on the table of the house, in 1932, by the hon. Minister of Labour. I need not further emphasize the point as all are acquainted with the findings of this inquiry.

Immediately after the facts referred to came out, the Quebec Premier, in order to whitewash his colonization agents in my district, intimated to the press of this country that

the merchants of my county were, so to speak, robbers because, he stated, they had sold their goods too dear. All are aware that the accounts of the merchants in my county as well as those throughout Quebec were only settled seven or eight months after the goods were delivered. The people also know that the Quebec Prime Minister took this stand not only to exculpate himself and his government for the delay in settling accounts but also to shield its colonization agents who sought, by such means, to defray the provincial election of 1931.

In my opinion, hon. members opposite should not oppose this bill to the extent of obstructing its enactment, because they must admit that had they been in office only Liberal governments would have benefited by the grants made by the Dominion government.

All know that just previous to the 1931 provincial election the Quebec Prime Minister made the following statement, at St. Raymond:

> We shall not force municipalities to incur liabilities. The province of Quebec is capable of supporting its people. The three departments who are in a better position to give out work (Colonization, Highways and Public Works) will receive all the necessary funds to carry on. Our financial situation is excellent. Should unemployment spread, the provincial government will remedy the situation with its own funds.

Did the provincial government remedy the situation with its own funds? No, sir, since the Dominion government's quota in this connection, from 1931 to 1933, amounted to $10,696,543. This proves that the attitude taken by the right hon. Prime Minister differed entirely from the one that the leader of opposition would have taken had he been in office.

There is another question which I wish to broach. Our friends opposite endeavour to convince the people that the Dominion government is responsible for the dole. As a matter of fact, sir, it was the prime ministers of the various provinces who requested that the Dominion government give direct assistance and, the one who, among them all, insisted the most that direct assistance be given rather than work, was a Liberal premier, one of the best friends of hon. members opposite, the prime minister of the province of Quebec, the Hon. Mr. Taschereau.

They endeavoured to make political capital with the dole. Unfortunately, I must admit, they were too successful. I shall refer to one particular instance: the privilege granted to certain municipalities to contribute only 10 per cent to direct assistance.

Mr. BARRETTE (Translation): They are friendly municipalities.

Mr. DUGUAY (Translation): These municipalities are controlled by the Municipal Commission, and are obliged to submit to the commission's instructions because the provincial government forced them to incur debts in connection with work on highways and also to satisfy the greed of influential friends of the Quebec government. This has often happened and is still going on in the Lake St. John district.

Mr. BARRETTE (Translation): Hear, hear.

Mr. DUGUAY (Translation): Does this commission intend to improve the financial affairs of these municipalities? I doubt it. Their aim is to find lucrative employment for a few friends of the provincial government who have had the misfortune of making heavy losses and who without this help would be destitute. These people receive large amounts not from the Dominion or provincial governments but from the municipalities themselves. I wonder why municipalities which are not controlled by this commission are not given the same advantage as those which are. I think that all should be treated alike, it would only be just.

I am also of the opinion, sir, that the dole system should not be kept up too long, because not only is it utilized in Quebec to relieve the unemployed but also to make men work on small wages for the benefit of lumber companies. The provincial government did not insist, last autumn, that these companies should fix a minimum wage for the men in lumber camps, although it had reduced the rate on the cut of timber. I also wish to point out that when some one, in Quebec, wishes to obtain the same privileges, they are refused. Such privileges seem to be exclusively for these large companies.

Mr. BARRETTE (Translation): There wiil be a change after the next provincial election.

Mr. DUGUAY (Translation): I know of some municipalities where recruiting agents of lumber companies made arrangements with mayors in order to recruit men for the lumber camps. These men were told: Go to the lumber camps and the municipality will provide for your family. The men had to leave and the families were given relief by the municipality. The dole was therefore resorted to in Quebec to help the lumber companies in recruiting men.

The dole system should not be kept up too long and I feel satisfied that with the present Prime Minister at the helm of the country's affairs, it will cease shortly. I wish, sir, to reply briefly to some statements made this afternoon by the hon. member for Témiscouata (Mr. Pouliot). I do not intend to follow him on all the subjects he discussed or to adopt his manner of speaking. I wish to simply point out to him that it is to the advantage of the Canadian people that the Prime Minister is entirely different from the one he attempted to describe. I rejoice in seeing the present Prime Minister at the helm of the country's affairs; I fought on his side in 1930, and I intend to always give him my full support because I realize that had it not been for his energy, his application to work and experience, Canada would be worse off than it is to-day. The Canadian people will themselves reply to the hon. member for Témiscouata by returning to office the present Prime Minister.

Motion agreed to and bill read the second time.

Mr. GORDON moved that the house go into committee on the bill.

Motion agreed to and the house went into committee, Mr. Macdonald (Cape Breton) in the chair.

Section 1 agreed to.

On section 2—Agreements with provinces.

Mr. MACKENZIE KING: With regard to section 2 I hope the minister has had a chance to think over the appeal I made to him the other evening to delete this year the clause which gives the government power:

When parliament is not in session, to take all such measures as in his discretion—

The discretion of the governor in council.

—may be deemed necessary or advisable to maintain, within the competence of parliament, peace, order and good government throughout Canada;

And this notwithstanding the provisions of any existing statute or law. I would say to the minister that that section, which ought to appear, if at all, only in time of war or insurrection, is one that, as he knows, has been very strongly objected to from this side of the house in previous sessions. It was not found necessary to insert it in the legislation of the special session of 1930. After it had been inserted in the legislation of 1931 it was dropped in the legislation of 1932, and then it reappeared in the legislation of last session. I should like the minister to tell us first of all to what extent that section has been used for the purpose of maintaining peace, order and good government. To what extent has it been actually used; what were the measures passed by virtue of this power and what are the reasons that render necessary its being granted this year? I think we ought to have that information before the section is discussed further.

Mr. GORDON: The first order in council that was passed pursuant to that portion of the section as it appeared in the statutes of 1931 was with respect to the prohibition of the export of gold from Canada, and I believe no one, in the light of the situation that then confronted this country and of the necessity for taking prompt action, would have any serious objection to what the government did in that regard.

Mr. MACKENZIE KING: May I interrupt the minister for just a moment. Did not the government have power to take that step anyway under the Finance Act? I think that was admitted some time ago.

Mr. GORDON: They did not; at any rate the action was taken under the relief measure of that year. If my recollection serves me correctly—and I stand to be corrected in this—the matter was referred to the Department of Justice and the government were advised that the action would have to be taken under this section. Then in October, 1931, the government, acting under this section, passed an order in council with regard to the valuation of securities in bank returns under section 112 of the Bank Act. In December 1931 action was taken by the government authorizing the superintendent of insurance with respect to the valuation of securities in the returns submitted to the superintendent under the provisions of the Insurance Act. So far as the Department of Labour knows, those were the only measures passed by virtue of the peace, order and good government clause contained in this section, and I believe that is the only action that was taken.

Mr. MACKENZIE KING: Surely not. There were guarantees to the banks in connection with advances made by them to

the wheat pool; there were guarantees to some of the banks in connection with the $60,000,000 loan to the Canadian Pacific railway; there have been cash advances to the Canadian Pacific under this section, and guarantees were given the banks in connection with loans made to the Beauharnois company, the Algoma Steel Corporation and to other corporations.

Mr. GORDON: My right hon. friend is mistaken. Those guarantees were not given under the clause of the section relating to peace, order and good government. They were given under section 2 (a) which reads as follows:

Notwithstading the provisions of any statute or law the governor in council may,—

(a) Upon such terms and conditions as may be agreed upon—loan or advance money to or guarantee the payment of money by any public body, corporation or undertaking;;

It will be found that the action taken was under that part of the section.

Mr. MACKENZIE KING: I was looking at the section itself which contains this provision, and I assumed that the orders in council, being under this section, were under this particular clause, but apparently they were under one of the other clauses of the same section. If what the minister now says is correct, the section referring to peace, order and good government has been used only for the purpose of prohibiting the export of gold, and to allow the revaluation of securities of banks and insurance companies. I am to understand these are the only purposes for which this power has been used in the four years during which relief measures have been on the statute books, and in the two years during which this section has been included in those measures. Why then, may I ask, do we need this section inserted again for this year? With all the other powers the ministry have had heretofore and now possess, what grounds can the government urge for again asking parliament to insert this particular clause in the section?

I want to read the entire section, so that the minister will see the force of my remarks. So far as the opposition are concerned, we have no desire to prevent the government from being in a position to take any step that may be necessary to meet an emergent condition, and from having power for which they can give reasonable grounds. But we do very strongly oppose departing altogether from the practice of parliament with respect to legislation, and handing over to the governor in council a power to legislate which belongs, and ought to belong only, to parliament, because that is what it means when the governor in council is given power to pass orders with respect to peace, order and good government, notwithstanding the provisions of any statute or law. That phrase is broad enough to cover legislation on anything. The minister tells us it has been used only to prohibit the export of gold and to enable the securities of banks and insurance companies to be revalued. Let us see what the power would be which by this section the government would be given, apart from that given it by this objectionable clause. If that particular clause were struck out of this section to-day the section would read as follows:

Notwithstanding the provisions of any statute or law the governor in council may,—

(a) Upon such terms and conditions as may be agreed upon,—enter into agreements with any of the provinces respecting relief measures therein; grant financial assistance to any province by way of loan, advance, guarantee or otherwise; and in respect of such loans, advances and guarantees, may accept such security, enter into such agreements and generally do all such acts and things as the governor in council may deem necessary and expedient in the public interest;

(b) When parliament is not in session—

Then omitting the clause relating to peace, order and good government, and continuing:

—and at all times to take such measures as in his discretion may be deemed necessary or advisable to protect and maintain the credit and financial position of the dominion or any province thereof.

Surely those powers which I think go much too far, are comprehensive enough to enable the governor in council, in addition to existing legislation, to deal with any critical situation when parliament may not be in session. But in the circumstances, if the government say they used those additional extensive powers and will take the responsibility of asking parliament for them, so far as we are concerned we are prepared not to oppose such action. We do, however, oppose very strongly the reintroduction into this measure of a clause which is most objectionable, which was enacted only by use of the closure in 1931, and was dropped in the year 1932. I refer to the section respecting peace, order and good government.

May I give another reason why that particular clause should not be inserted? The government has taken credit to itself for having dropped the following clause:

Loan or advance money to or guarantee the payment of money by any public body, corporation or undertaking.

Hon. members opposite have taken the attitude that this year they do not need that clause, and they are leading the public to believe that conditions have improved so greatly that there is no necessity any longer to ask for the power to advance moneys to or to guarantee the payment of money by public bodies, corporations or undertakings. If that is so, how can they justify retaining a power which includes that being dropped, is more drastic, goes very much further, and one which has never been used by any government until this government used it? As I pointed out when I spoke on a former occasion this power was intended to be exercised only on the occasion of war or the invasion of the country, actual or apprehended. I hope the minister will not make it necessary for us to contend over this section. If we were to agree to allow the remainder of the section to pass he might well withdraw the objectionable clause, or at any rate allow it to stand until he has had a conference with his colleagues to see if it cannot be dropped at least for this year.

Mr. GORDON: Mr. Chairman, the very fact that the government proceeded under this part of section 2 on only three occasions is at least considerable evidence that they would take action under the section only in cases where it became apparent that in order to avoid a great major difficulty speedy action should be taken. While I am in agreement with the remarks of the right hon. gentleman with respect to the sanctity of the rights of parliament in matters of this kind, yet I think every hon. member will agree that during the last few years we have watched a changing world. In Canada we cannot always be the authors of our own course, or even nearly so, but rather at times speedy action has to be taken. Occasion may arise, even during a recess of parliament, when by reason of events beyond our control action might have to be taken before a special session of parliament could be convened. I say again that I am not by any means unacquainted with the laws and ordinances which have grown up, some incorporated into statute law, and some by reason of long practice and usage, which preserve to parliament its rights. But I am also aware of the fact that in times like these—and I hope it will not be necessary—the executive or the government might have to turn to this authority in order to take speedy action in connection with matters touching vitally the business of the country.

If the right hon. leader of the opposition is really fearful that the government will during the recess of parliament take undue

[Mr. Mackenzie King.]

powers under this section and act without good and sufficient reason, I can only repeat that in the past in my judgment the government has not acted in that way, and I do not think it will do so between now and the next sitting of parliament. However I am not averse to having the section stand until tomorrow to discuss the question again, as has been suggested, with my colleagues. I feel that while at times on the part of one party there may be a desire in this chamber to survive over another party—a principle which seems very closely identified with political activities in Canada—yet I feel that the real desire of all members is to adopt such legislation as is best calculated to meet and to overcome the difficulties which to-day and for some years past have confronted Canada.

Mr. LAPOINTE: The minister has said that in the past the government have never used in an objectionable manner the powers conferred upon them by relief legislation, and that to be sure of the future we should rely on what has happened in the past. It is because we do not believe that parliament has been treated fairly in the past under relief legislation that we have objections to granting anew the powers asked in this bill. A glaring instance is afforded us in the orders in council laid on the table of the house a few days ago concerning the guarantees of the government with respect to the marketing of wheat. The first order in council is the one by virtue of which this country became responsible to seven banks for moneys advanced by them to the Canadian Cooperative Wheat Producers Limited for the marketing of wheat, and particularly including advances for the purchases of wheat or other grains deemed necessary to secure the advantageous sale of such grains already delivered or to be delivered. That order in council was passed on September 12, 1931. It is very interesting to read the order in council and to learn what preceded it. The order in council reads in part as follows:

> The committee of the privy council have had before them a report dated 11th September, 1931, from the Minister of Finance, recommending that, in pursuance of the Unemployment and Farm Relief Act, 1931, and of an undertaking on behalf of the government, made before the session of parliament at which the said act was passed, to implement by legislation the recommendation hereinafter set out, the governor in council guarantee repayment.

And so forth. So during the whole session of 1931 the country had been engaged to the banks to guarantee the payments of these moneys by an undertaking preceding the session, which undertaking the government had pledged themselves to implement by legisla-

tion during the session. Was it treating parliament fairly not to introduce legislation into parliament in order to implement that undertaking? But instead the relief act was passed in July or August taking all the powers to do anything under the sun, and the government waited until September to do by order in council what should have been done by legislation, the confirming of an agreement entered into before the session of parliament. If that is treating parliament fairly I do not see why we should continue to exist as a parliamentary and legislative body.

The preamble of the present bill states the reasons why it is needed. It says:

> Whereas the provinces may require further assistance in carrying out necessary relief measures and in meeting financial conditions as the same may arise; and whereas in such event it is in the national interest that parliament should support and supplement the relief measures of the provinces and grant them financial assistance in such manner and to such extent as the governor in council may deem expedient; and whereas it is necessary to make provision for further expenditure for relief purposes under the Department of National Defence and the Department of the Interior; and whereas for these and similar purposes the powers necessary to insure the speedy and unhampered prosecution of such relief measures and the maintenance of the credit of the dominion and the provinces thereof should be vested in the governor in council;

All these purposes can be met by the various sections of the bill, excluding the one to which we mostly object, that relating to peace, order and good government. There is nothing in the preamble which justifies the insertion of these words which were eliminated from the preceding bill. I think that on further consideration the minister will drop that clause from the bill.

Mr. MACKENZIE KING: Does the minister propose to allow the section to stand? I should like to draw his attention to this phase of the matter. The minister, in speaking, mentioned as the reason for the possible retention of this objectionable clause the fact that something might come up suddenly that would affect vitally the business of the country and would have to be dealt with in a summary manner. I would gather that the impression which the minister sought to leave was that the government had not adequate power apart from this clause to deal with situations of the kind. If that were the case there might be something to be said for its insertion, but the government has ample power. The statutes of this country for dealing with untoward situations remain what they have been from the time of confederation down to the present. The country has always had to face the possibility of some situation developing that would require immediate action on the part of the government, and ample power to cope with such situations has been in existence all along. It does not come into being by virtue of this particular clause. I believe the existing powers are ample in every way, and I cannot quite understand what the minister has in mind. If he would say quite frankly that what he fears is something in the nature of an outbreak or insurrection, if that is what he means, we would then discuss the question as to whether the powers that are given to the civil authorities and the power which is given the government to aid the civil power by the military forces, the mounted police and other bodies, are not adequate to cope with situations of the kind. Or has the minister in mind some financial condition which the other clauses of the act as drafted and other statutes in existence are not adequate to meet? The point is that there does appear to be ample legislation existing to deal with any condition. This clause was inserted at the outset, or so it was alleged, simply because at the time, 1931, a number of people in the country, and apparently some members of the ministry, were genuinely alarmed at the situation in which Canada found herself under the conditions of depression that were then existing. But this provision was dropped in the following year and nobody was any the worse. It was reinserted last year but apparently not used at all. Why should it be reinserted this year, especially if, as the government says, conditions are improving and the necessity for this form of extreme legislation is not apparent at this time?

Mr. GORDON: I can scarcely follow the logic of the right hon. leader of the opposition in opposing the retention in this clause of the words "peace, order and good government" when he says that there is no necessity for having them there because under other laws the government has this authority. I assume the right hon. gentleman has reference to the War Measures Act, which can be invoked only by proclamation, and perhaps under that legislation action could not be taken as speedily and as effectively as under the legislation here proposed. But if the government does now under that statute or under any others possess this power, why should anyone be fearful even if that power is duplicated in the bill now before the committee? If the power exists now, we are not adding to it by reasserting it as it is reasserted in the present bill.

I have already stated that these are times when governments the world over, even in

countries where democracies have been established for a long period of years, are giving to the executive heads powers that are perhaps a direct invasion of the principles upon which those democracies have been established and have grown and prevailed for many years. Each of us can speak only of conditions as they come under his observation and as are indicated by such records as are available, but my view is that conditions certainly are improving. In connection with the business with which I am associated and in the public office which I hold I have considerable opportunity to observe the state of business conditions. I know there are some who will not admit they are improving, who do not want to admit it. There is a class of people in this country who I believe would suffer a very severe disappointment if things did improve just now. There are some who are so mentally constituted, but perhaps they cannot help it. The fact remains, however, that from what information I can get I believe business is improving. As I said a few moments ago, certain countries have been content, perhaps with some anxiety, to invest the executives of their governments with powers which would have been unheard of ten years ago or before 1929 when world affairs, world business and world politics assumed an unprecedented degree of confusion and chaos which has been more or less apparent ever since. I know the opposition is fearful as to whether the judgment of the government will be good or can ever be good. The only assurance I can give hon. members of the committee is that the government will take power under this section only when it is abundantly convinced that that power should be taken in order to maintain within the competence of parliament, peace, order and good government throughout Canada. I do not know that I can say anything more with respect to this matter.

I assume that there will be a degree of disappointment expressed by hon. gentlemen opposite at the amendment I intend to suggest in connection with the guarantees to the wheat pool. Section 2 (a) of the act of last year reads:

—loan or advance money to or guarantee the payment of money by any public body, corporation or undertaking;

In drafting this bill I overlooked the fact that the guarantee to the Canadian Co-operative Wheat Producers Limited was in the nature of a continuing guarantee until that business was closed out. I intend to have my colleague, the Minister of Justice (Mr. Guthrie), move an amendment to cover this one guarantee.

[Mr. Gordon.]

Mr. GUTHRIE: I beg to move that section 2 (a) be amended by adding after the word "province" in the fourth line the following words "and to Canadian Cooperative Wheat Producers Limited", and that the marginal reference opposite the section be amended by adding the same words thereto.

Mr. MACKENZIE KING: As we were discussing the section perhaps we had better continue with it as a whole rather than come immediately to the amendment before us, so that I may answer the points raised by the minister in reply to my remarks while they are still in the mind of the committee.

The minister said that there was something wrong with my logic, since having stated that the government had already this power under previous legislation I should not take any exception to this clause as it simply duplicates that. If that were all I had in mind there might be something in what the minister says. The minister was referring to dangers in the nature of insurrections or something of the kind, or at least I so understood him when he seemed to be talking about untoward events.

Mr. GORDON: I never had any such thing in my mind at all.

Mr. MACKENZIE KING: That is what I am trying to find out, what it is that the minister is afraid of, and what makes necessary this grant of power to the ministry to pass orders in council for peace, order and good government notwithstanding existing statutes and laws. The minister referred to the power which European nations had given to their executives.

Mr. GORDON: And the United States.

Mr. MACKENZIE KING: He must have been referring to Mussolini in Italy, Hitler in Germany and Stalin and some of the others in Russia, and Dolfuss in Austria.

Mr. GORDON: And Roosevelt in the United States.

An hon. MEMBER: And Pattullo in British Columbia.

Mr. MACKENZIE KING: The minister cites the United States. I prefer to take British precedents and follow the example of British parliaments which have retained their power to legislate.

Mr. MALONEY: What about Pattullo?

Mr. MACKENZIE KING: Apparently hon. gentlemen are very much exercised about Mr. Pattullo. May I ask them where the premier of British Columbia found his example. He would appear to be imitating or following

the example of hon. gentlemen opposite in asking for extraordinary powers. No doubt he is seeking to obtain bargaining power wherewith to deal with the executive of the dominion. However, it is for each province to manage its own affairs. What we are concerned with here are the affairs of the dominion, and the minister has not yet given a reason why there should be included in this bill the grant of power to the governor in council notwithstanding existing legislation, to pass orders when parliament is not in session, on any subject relating to peace, order and good government. If his reason relates to the possibility of an uprising of some kind, and the minister can point out wherein the existing law is not sufficient to meet a situation of that kind, we are perfectly prepared to grant him the further necessary power. But that is not what the minister wants this particular section for. Although he speaks about the changes which may occur in these unsettled times, the only instance of which he has told us where it was necessary to use this power is the permission given to the banks and the insurance companies to revalue their securities.

Mr. GORDON: And the prohibition of the exportation of gold.

Mr. MACKENZIE KING: And the prohibition of the exportation of gold. Why then should this power be granted again this year to this government? If the government desires authority to enable corporations to revalue their securities they should so state the situation in black and white and make clear what is needed to maintain the financial credit of the country or the standing of individual corporations. What we object to is the government's taking this blanket authority to legislate in regard to anything that may serve its purpose. I hope my hon. friend will not think I am unduly stressing our alarms when I mention again what I said the other night about this being in all probability a year in which there will be a general election. If there is a general election, as hon. gentlemen well know, there will be no parliament to report to as to what may be done by the ministry during the election period under the power of passing orders with respect to peace, order and good government until a new parliament is returned. In these circumstances while there are a good many of us who may have a certain amount of faith in hon. gentlemen opposite, we are not prepared to trust them to the limit with blanket authority to legislate in any way they please at such a time on any subject they may designate as relating to peace, order and good government. That is one of the objections I see to having that clause inserted this year, and I say to the minister frankly that I cannot understand how it reappears at this time, unless the fact of the possibility of a general election has something to do with its insertion. I hope the minister will give us better reasons than he has thus far given for retaining the clause, or else relieve our suspicions as to the purpose of its insertion at this time.

Mr. BENNETT: I think probably the right hon. gentleman means, "to remove our anxiety" rather than our suspicions. I will be generous and say I think he means anxiety.

Mr. MACKENZIE KING: Both.

Mr. BENNETT: Well, probably both. I rise however merely to point out to the hon. member for Quebec East (Mr. Lapointe) that he is entirely in error when he assumes that there was any bad faith manifested to this parliament in connection with the guarantee given to the banks with respect to the account of Canadian Cooperative Wheat Producers Limited. The truth is, as perhaps he has gathered from the evidence given in the banking committee, that the guarantee was given in 1931 and has continued ever since and will continue until there is a liquidation of the accumulated surplus held by the Cooperative Producers Limited. That I think is fairly obvious. When he points out that the order in council to which he has just referred was prepared in the form in which it was, I would say to him that it was put in that form by the solicitor for the bankers' association, who thought there might be some uncertainty, and was of the opinion that it more clearly expressed the position of the banks in relation to the government if we put it in that form, and I informed him that there was no objection to it.

I would make it clear to the hon. gentleman that the transaction was as follows: (1) Advances made by the banks to the organization. (2) The guarantee given to the bank by the government, which could not in terms mention a specific sum. That, I think, will be found in the evidence given the other evening in the banking committee. (3) It continues from year to year, and the reason it was thought that it might be rewritten in the form in which it was ,was that there was some question as to the sufficiency of the language to carry over the liability from one year to the other and to make it clear that there was no uncertainty as to what was meant by the language employed; and the rewriting to which

the hon. gentleman has referred was done for the purpose of removing any doubts and at the instance of Mr. Henry T. Ross, secretary of the Canadian Bankers Association, with whom I considered it, and subsequently with the Minister of Justice, who said that there was no reason why, if they felt that it made the matter clear, it should not be put in the form in which it is.

I can only say that in this relief measure there has been an effort to remove certain clauses which it was felt conferred upon the government larger powers than the house was of opinion, under present conditions, should be conferred upon them; and all those words to which the minister has referred as being in last year's legislation were removed from the present bill. But with respect to peace, order and good government, if the right hon. gentleman is correct in saying that they add nothing to the existing language of other statutes, then it is abundant precaution which can do no harm. If on the other hand he feels that they might be necessary for the purpose of valuing securities, as he indicates was done, and which now fortunately for us is a matter that need give us no further consideration, inasmuch as the securities that were so valued have risen in value to a point far beyond that then expressed as a reasonable value, in that instance we were but following the practice which prevailed in Great Britain as well as in the United States; because our own securities having been sold in large quantities at the express request of the governments of the day to the banks, it was unfair to ask the banks, for the purposes of their balance sheets, to value them at a figure very much lower than that at which they had bought them—and it was not buying that was taking place at any particular time before 1930 but that had taken place from time to time—to enable the government to secure funds from the banks and make success a certainty with respect to the sale of securities.

With respect to the insurance companies, the matter can be put on this simple ground. The liabilities are liabilities maturing in the future, and the whole business of insurance is predicated on the assumption that the present reserve will be sufficient, on the values placed on them at the time they are purchased, to meet obligations that will mature at some future period of time. What we did was to follow the practice that obtained in the forty-eight states of the union, where the commissioners of insurance met together and, with one single exception, determined that that was the proper action to take. And it was taken in a subsequent year as well.

[Mr. Bennett.]

So far as the words "peace, order and good government" are concerned, the reason they appear in the statute in the form in which they do is that they are words used in our constitution. It is felt that they confer, in case of emergency, power to be exercised by the executive for the peace, order and good government of the country for the purpose indicated in the measure, a power that should be in the hands of any government in these days. I think it is rather unfair to say that the government of British Columbia have borrowed from this parliament the proposals they have made to their legislature, because had it been our example, the statute would have read in this form: that during the time that parliament is in recess the governor in council may make laws to be called ordinances, and then recite the whole twenty-nine articles of section 91 of the British North America Act. The statute in British Columbia recites seriatim the various items in section 92 of the British North America Act and declares that when the legislature is not in session the lieutenant governor in council may make ordinances which shall have the force of law. In other words, the legislature is abolished; the assembly is abolished. Now, I am sure the right hon. gentleman will not suggest that we have endeavoured to abolish parliament by the section that appears here, because these words have a well defined meaning; and having a meaning well defined by the courts it is, I think, only reasonable, to ensure this country against any unforeseen difficulties that may arise between now and the time parliament meets, that provision of this character should be inserted in the legislation. There have been limitations imposed which we were glad to impose, but on the other hand in view of the very circumstances to which the premier of British Columbia has referred as to the effects of outside influences on the life of that province, and when reputable members stand in their places in this house and point to external influences endeavouring to destroy the very institutions of the country, I think that even although it may be a repetition of what is found in other statutes, it is well to make assurance doubly sure by providing that the executive, shall have authority, between the time that such conditions might arise and parliament be called together, to make orders for the peace, order and good government of the country. That is as far as it goes. It is difficult to assure hon. gentlemen who will not be assured, but I should like to assure my hon. friends opposite that there is no desire

to act either as a usurper or a dictator. If when they allege that we so act they think that the task involves pleasure, they would only have to put in the hours per day that are put in with respect to the very matters to which they refer to see that all pleasure and all happiness and comfort disappear in dealing with problems of this character.

Mr. LAPOINTE: If my hon. friend will permit me to suggest it, perhaps if he were to share with parliament these anxieties they would be lighter. He was not in the house when I made my remarks about the guarantee given to the banks for the moneys advanced to the wheat producers. I did not complain about the nature of the order in council or its language. I did not deal with the merits or demerits of the transaction. My ground of complaint to-night was about the manner in which it was carried out, and my right hon. friend has not alluded to that. Perhaps he might explain this; in the order in council itself, passed on September 12, 1931, we are informed that this order was to ratify and give effect to an undertaking made on behalf of the government before the session of parliament. That undertaking was that it would be implemented by legislation at the following session, yet we sat here for five or six months and never heard anything about it. When the relief act was discussed I took the trouble to read Hansard to find out whether this was alluded to during the whole course of the discussion, but I find not a word of it. Only after the session was over, in September, did the government by order in council give effect to a guarantee made before the session of parliament, which guarantee they had pledged themselves to implement by legislation. Why did the government not introduce legislation making the house and the country acquainted with the guarantee that was given to the banks for the purpose of helping the marketing of grain? It might be a good thing to give such a guarantee, but I submit it was for parliament to say so, and that it was not treating the House of Commons fairly merely to ask by a relief act to be empowered to give guarantees to provinces or companies, while the government knew all the time that this undertaking had been given to the banks and the wheat producers. That is why we think we have ground for complaint, and why we do not like to continue a blank cheque authority giving to the government the right to do by order in council what should be done by parliament.

Mr. BENNETT: I have to trespass upon the time of the committee again for a moment. I was not in the chamber during the whole of the hon. gentleman's observations; I came in just as he was concluding. If he will be good enough to look at Hansard he will find that a statement was made, not only by myself but by others during the discussion in connection with the wheat transaction, that a guarantee had been given. It was not in connection with the relief act that that statement was made, because the question did not arise; it was in the discussion concerning the wheat transaction. Hon. gentlemen will recall that I said I believed it would not be in the interests of the country at the moment to follow the transactions closely, but that if it was thought desirable by the house in committee of the whole I should be glad to do so. I suppose it adds nothing to it to say that if for a single moment it had been thought desirable, or if the question had been asked, I should have been only too glad to say that a guarantee had been given to the banks, because from the very start we had no hesitancy in saying that. From the time in 1930 when an effort was made by the western provinces to induce the dominion government to set up a wheat board, or to "peg the price", as it was called, of wheat at 70 cents, we never showed any hesitancy in making clear to the country through this house what had been done; and from that day to this we have made it perfectly clear what was done. I think we made it abundantly clear the other evening.

I will say this, and I hope it will not be misunderstood, that while parliament is the great court of the country, the court of inquest, which has a right to know everything that is done by its executive, yet in times of stress and strain and difficulty, when the government has to have recourse to many methods of dealing with problems of extreme gravity, until such time as they are concluded it is sometimes injudicious to discuss them publicly. It is not suggested, of course, that there is anything that should not be disclosed, but only that the time is not always most opportune to do it while the matter is pending. I quite appreciate the attitude taken by the hon. gentleman; it is the attitude any opposition would take, that in a matter of this kind, where the executive is exercising its power, it should as far as possible make the fullest disclosures to the house of everything that transpires. I say further—it is not a matter of importance, but my colleagues

will bear me out in this—that many times during the last three years when matters have been under consideration I have been asked why I do not make a statement about them. The other evening, after the discussion in connection with the guarantee to the railway company and in connection with the sale of wheat, the question was asked: Why could not these things be said at the time? I only say to this committee, and I ask men of experience in business whether their experience does not bear out what I say, that at times nothing could be more fatal to the transaction of business than a public discussion of it before it is concluded. My glance happening to rest upon the face of one hon. member opposite recalls a certain transaction in the public interest which was about to be carried out in connection with a rather large public undertaking, and a premature discussion wrecked it. Those who are familiar with the story of the purchase of the Suez canal shares will recall what has been said in the accounts of the lives of statesmen of that day as to what would have happened had this transaction, which was dealt with by Disraeli and the Rothschilds, become a matter of public discussion before Disraeli was enabled to close it out as he did.

Now I add only this. There is no desire in any way to keep from this house or from this country any particulars of any transaction with which this government has been connected since it came into office, affecting the public interest, under these various relief measures or other statutes that conferred authority and, in my opinion, imposed responsibilities. Those responsibilities we have endeavoured to discharge in the manner we thought best for the country. It is possible that I or my colleagues may have been in error, but if at times we believed that it was not in the public interest to blazon these matters from the housetops and not to discuss them even in this house until such time as further progress had been made in connection with some of them, I think we adopted a course which sound business at least, by experience, has indicated to be the proper course in connection with ordinary transactions. I believe my hon. friend from Quebec East will find, in connection with the matter to which he referred, that it was made abundantly clear to this house from the inception of the transaction that the government had given a guarantee to the banks to enable the cooperative wheat producers to carry out the business for which they had appointed Mr. McFarland their general manager, and which has been carried on ever since. In 1928 the excessive crop brought about too great a carry-over of grain into future years, which has been reflected in the excess carry-over ever since, until this very day.

I make that statement because, if there has been any suggestion that in any sense there has been an endeavour either to deceive this house or keep anything from it, other than what we thought should be kept back at the moment for good public reasons, I should like the fullest investigation before any committee of the house, with witnesses called to establish that what was done was done with an eye to one single purpose, and that was to endeavour to ensure that this house and this country would have no reason to say that, through the failure on our part to do something, there had been a collapse of public confidence or a panic in connection with any of our institutions that might imperil what had been built up by many years of laborious effort on the part of the Canadian people.

Mr. MACKENZIE KING: The Prime Minister (Mr. Bennett) and the Minister of Labour (Mr. Gordon) I think have failed to understand the force of my objection, or at any rate to answer it. Possibly I have not made myself clear. The Prime Minister stated that my objection was that this clause simply duplicated previous legislation; that, to use his words, it was a repetition of previous legislation, that it added nothing to existing statutes, and that for this reason there should be no objection to making doubly secure that which is already secure. That was not my point at all. It is not that it adds nothing to existing legislation; it is that it takes away existing legislation, takes away the protection which existing legislation gives to citizens of ths country with respect to innumerable matters. The government asks that notwithstanding the provisions of any statute or law the governor in council may, when parliament is not in session, take all such measures within the competence of parliament as in his discretion may be deemed necessary or advisable to maintain peace, order and good government.

That language is as plain as day if one will stop to look at it. It means that notwithstanding all the laws that parliament has made, with regard to insurance companies, banks, railways or anything else one wishes to name, the government may when parliament is not in session, set aside all those laws and pass any orders in council it pleases so long as it cares to designate them as necessary for the peace, order and good government of

Canada. That is the power for which they are asking, and I say that power is setting parliament altogether at naught. It is doing away with parliament and what parliament exists for, namely to protect the citizens of this country in their rights and privileges.

I doubt very much if hon. members have even yet grasped the significance of this section. We listened to the Prime Minister speak of the necessity of doing things quietly, of times being troubled and of the need to give the government an opportunity quickly to deal with an emergency, and so on. For my part I am ready to give the minister any powers for which they ask provided they will set out in black and white the exact powers needed and are able to support their request on reasonable grounds. But that is not what they are asking for here. They are asking that notwithstanding the existence of any statute or law, once this parliament has prorogued the governor in council may legislate as he pleases with regard to anything, regardless of existing legislation. I say that the granting of such power has in itself a terrible unsettling effect upon the country. The banks and those who have relations with banks, for example, do not know whether some section of some act on which they rely for protection in their rights is going to be set at naught by some order in council pased under the heading of peace, order and good government. The same statement applies to insurance companies or to anything else one may wish to name. That is what is asked for and that is what we object to granting. We are not objecting to making security doubly secure where there is any danger of an untoward incident of any sort or of the government not having sufficient power to deal with any situation. We are objecting to the danger of taking away that protection which this parliament has placed around business and around its citizens their rights, liberties and privileges, by the laws it has passed; we object to any legislation whereby, notwithstanding existing laws and statutes, these laws and statutes may all be set at naught if the government think it desirable so to do in order to pass an order in council contrary to their provisions.

I say again to the minister that I hope he will not press for this power this session. His powers have been gradually extended in other clauses of this section. To indicate my desire to cooperate with the government, so far as I am concerned, I will not take exception to the amendment which has been moved by the minister, although it gives him additional power with regard to a matter as to which he has already given guarantees. Anything for which the minister can give reasonable grounds in a concrete way will meet with a like reception; he will find the opposition perfectly ready, I think, to meet him in a cordial, cooperative way, but in the light of what may take place I do not think we can be expected willingly to allow the government to set aside, if it so desires, all the existing statutes and laws and remain free to legislate as it pleases when parliament is no longer in session, and when the ministry may no longer exist or may not have this House of Commons to reckon with when it comes to seeking the explanation of why these particular powers were made use of in the manner they were at a particular time.

Mr. BOTHWELL: I think it only fair to say a word in reply to the Prime Minister's explanation as to the wheat guarantee. At the time Mr. McFarland was appointed manager of the Canadian Cooperative Wheat Producers Limited, on November 30, 1930, the situation was critical. Later parliament met, but the members of this house were not apprised of the situation, according to my recollection, or as we have been able to find in Hansard. That is one of the reasons why we were somewhat exercised, not only the members on this side of the house but people throughout Canada generally; we ran along from year to year without knowing exactly what was being done. The matter is being discussed and evidence is being taken by a committee of this house at the present time. I think it is a good thing that this investigation is being made; it has cleared the air considerably. We realize the critical situation that existed in the fall of 1930 and there has been no complaint from this side of the house as to what was done at that time. The three prairie provinces appealed to the Prime Minister to take action. I do complain however that we have had to go from November, 1930, practically to the end of March, 1934, before we could find out exactly what was being done.

Mr. BENNETT: I do not desire to contradict the hon. member, but if he will be good enough to look at Hansard he will observe that I made very full statements twice on the subject.

Mr. LAPOINTE: 1931?

Mr. BENNETT: I said twice.

Mr. BOTHWELL: We did not know anything about it until some time in the year 1932, and as a matter of fact we did not get a great deal of information at that time. With the exception of the remarks I have

made I do not believe any hon. member from the west has any complaint to make. I do believe this however, that had parliament been advised and been in a position to look into the situation, better ways and means might have been devised to handle the situation. At least we would have had the benefit of advice from every organization interested in the wheat situation. I have risen to say only this, that so far as we were concerned, the difficulty in which most people in the west found themselves was that they did not know what was being done.

Mr. LUCHKOVICH: I was very much surprised to hear the leader of the opposition (Mr. Mackenzie King) say that this clause has been introduced in order to enable the government to peg the shares of insurance and other companies. To follow that up I suggest that if that action could be taken under this clause to help insurance and other companies it might also be taken to help the farmer peg his mortgages, his wheat and other securities. I was not very much influenced or impressed by references to the parties of two hundred years ago and the constitutional questions of those days, because if we went back far enough neither of the larger parties in this house would be very proud of its origin. According to Sir Erskine May the word "Tory" two hundred or three hundred years ago was an appellation used to designate some robber band in the old country, and the word "Whig" used to describe the Liberal party in those days designated what in the Scotch vernacular meant sour cheese.

Mr. MACKENZIE KING: What does Sir Erskine May have to say about the C.C.F.?

Mr. LUCHKOVICH: And, speaking of sour cheese, I believe I should rather be a living highwayman than a disintegrated cheese. But even the present government is like the highway bands of three hundred years ago. At least under this peace, order and good government clause it might be the Robin Hood type of highwayman who took from the rich in order to give to the poor.

Mr. LAPOINTE: An amendment has been moved by the Minister of Justice to the effect that guarantees should be continued to the cooperative wheat producers.

Mr. BENNETT: That is because of the elimination of the power to give guarantees to any private enterprise.

Mr. LAPOINTE: Why not do it by special legislation?

[Mr. Bothwell.]

Mr. BENNETT: This is special legislation.

Mr. LAPOINTE: Why do it under a relief act? I think we are entitled to know the amounts of guarantees which have been given to the banks with regard to the marketing of wheat, and I should like the minister to tell us where the country stands with regard to past guarantees, before we give the government power to give new guarantees.

Mr. BENNETT: That has been twice before the committee on banking, and it was thought undesirable—

Mr. LAPOINTE: If we have no right to refer to what goes on before the committee, I think this applies to the Prime Minister.

Mr. BENNETT: All right, then, it applies to the Prime Minister. The wisdom or unwisdom of determining the amount I believe I can set at rest in a single minute. The amount of the guarantee varies from day to day. It varies to the extent to which there have been purchases of farmers' wheat to prevent its being without a purchaser. Those who are familiar with the operations of the grain market under which wheat is purchased will realize that the amount that is put up, that is by the purchaser, for which guarantee is given, is an amount fixed by the customs and regulations of the grain exchange itself, and the variation of the amount is of course dependent entirely upon the price which the commodity commands at the close of the day's operations. It was said the other evening that an increase of ten per cent in the then price of wheat would relieve the guarantor of any responsibility. That was thought to be sufficient, and I should think possibly that might be regarded as ample for the purposes of this committee.

I only say to the hon. member that I believe the matter about which he is now speaking is illustrative of the point I previously made, namely the undesirability of discussing the details of a business transaction while the transaction is yet incomplete. I would ask him on reflection to ask himself whether or not he does not think that is a correct statement of the position—that is, while the transaction is still proceeding it is not desirable that there should be an effort on the part of hon. members in this house to disturb or to dislocate business as normally transacted, in order that it may be carried to a successful conclusion.

Mr. LAPOINTE: After all, this is a representative parliament and a representative government. Many of my constituents and,

in fact, other people, have asked me on many occasions what amount was involved in respect to or as a result of this guarantee. I have always been compelled to say that I did not know. I do not think they will be satisfied when again they ask that question not only of me but of other members in the house, and receive the answer, "Well, the Prime Minister thinks it is better that you should not know." In my view the people of Canada are entitled to know that; they are the ones who will be responsible if there is any amount to pay. Certainly we have a right to know how we stand at the present time. The Prime Minister states the amount varies from day to day. Let me ask him where we stand at the present time. What was the amount for which we would have been responsible if the wheat had been sold in November, 1932? Before continuing to the government the right to extend the guarantee I think we have a right to know.

Mr. BENNETT: Rightly or wrongly the house has delegated to a select standing committee the power to make an investigation into these matters. That committee has made such an investigation, and the evidence has been printed and is available to the members of this committee. It is quite true that at the moment we cannot discuss the matters considered by that committee in the sense of considering the details of the evidence given, but it is within the mind and knowledge of every hon. member that that has been done, and that the committee has taken a certain line of action with respect to it.

I said that the liability of the country varies with the calendar date that may be selected for making the computation. In other words, if the price of wheat were to rise ten per cent above what it was the other day, the guarantor would be under no liability. If on the other hand the price of wheat should fall, the liability would be increased. But it was pointed out that it was within the normal expectation of those who had given the matter the most consideration that if there is a regulated flow of wheat upon the markets of the world and the excess carry-over or surplus is not permitted to destroy the market price of this world commodity, there will be no liability upon the guarantor. But that cannot be determined at the moment. The hon. gentleman may assure his constituents at least that the liabilities of this guarantor would be discharged to-day for much less than $15,000,000.

Mr. JACOBS: Is $13,000,000 a fair estimate?

Mr. BENNETT: As I say, it varies from day to day, but I have used a figure which is an outside figure, in view of the insistence of the hon. gentleman, who is within his rights; but it is against my own judgment and against the majority of a standing committee of this house. If he insists I can only make the observation that I have made and that I now make. If the house presses for further information I think I have discharged my duty after I have explained to them as fully as I can what I believe the consequences will be, and then if they insist they will carry with me jointly the responsibility that attaches to it.

Mr. JACOBS: I think it is only fair for me to add, although I do not know that I can relate to the house anything that took place before the committee, that as a member of that committee I asked the Minister of Finance to say if the government considered that the divulging of any information of that kind would not be in the public interest, and the Finance minister replied that the government would not say one way or the other, that it was for the committee to decide. Evidently there has been some change in the view of the government since that time.

Mr. VALLANCE: I was a little late getting in this evening. I should like to ask, is it not the intention of the government to carry on the stabilization of the wheat market under this clause?

With regard to the information that has been asked for this evening, in another place it was pointed out that the world at large knows to what extent Canada has wheat within its borders, but what they do not know is who has control of that wheat. Whether it is in the interest of Canada that it should be known how much wheat is held by John I. McFarland in the interests of the government or of the producer is perhaps a debatable question, but I will say this, that to divulge the information can do no good, and it may do some harm, especially to the producer. An hon. member asks me, in what way? I reply, in this way: If you go back to say February of last year or December you will find that wheat hit its low in Winnipeg at 38⅜ cents. If Mr. McFarland performed the functions he was appointed to perform, and he admitted in another place that at that time he had to take 75 per cent of the wheat off the market—if he bought wheat at 38⅜ cents, wheat now being 70 cents, there is a lot in what the Prime Minister says, and Mr. McFarland could probably show himself in a more favourable position to-day than at any other time in the whole of his operations. But if information is to

be given as to where he stands to-day, we should have from Mr. McFarland or from the government information as to the position he occupied at the end of every six months period dating from the time he took over on November 30, 1930. Unless that were done, Mr. Chairman, I do not think it would paint a true picture.

In conclusion, representing a rural constituency, I cannot see that divulging the information would do any good. I do not know why the government should be anxious to conceal it unless it did not want the world at large to know just who is in control of our wheat. I am of an open mind whether the divulging of the information would do injury or not, but I do say most emphatically that it can do no good and might do some harm.

Mr. MACKENZIE KING: There seems to be some question as to how far the government should disclose what guarantees it has given to the banks with respect to wheat pool transactions; but guarantees have been given to the banks with respect to a number of other matters. Perhaps the minister will tell us what those particular guarantees are, and their extent.

Mr. BENNETT: Before my right hon. friend proceeds with that I am sure the former Minister of Justice (Mr. Lapointe) will permit me to refer to Hansard of March 17, 1931. Speaking on the address on that occasion, I said:

> In connection with agriculture I do not intend to say more than that we took such action as to prevent a panic in connection with wheat, an action which I think any government would have taken had it been seized with a thorough appreciation of the seriousness of the condition then existing. That action had the result at least of saving the situation at the moment. I can only say that whatever may be necessary for the purpose of enabling agriculture to be placed upon a firm and stable basis, we will do, but no man who has followed the history of world movements during these last eighteen months can fail to understand that the failure to appreciate what was coming had been responsible for what is. The right hon. gentleman mentioned yesterday the necessity for study and deliberation, and I have read in the Liberal press the statement that he did not decide quickly but, oh, so deeply.

Turning to page 1076 of Hansard of April 28, 1931, I again referred to this matter because my hon. friend who has just taken his seat (Mr. Vallance) was discussing the matter with me. I said:

> What would the price of wheat have been in this country had it not been for the action of the government?
>
> An hon. Member: What has it done?
>
> Mr. Bennett: Ask any thoughtful man about that.

[Mr. Vallance.]

An hon. Member: Tell us what you did.

Mr. Bennett: I tried to indicate the other day that I think it is very much better that these things should speak for themselves. We put the collective credit of this country behind the wheat market.

Mr. Vallance: It was security only to the banks which you gave, not to the wheat pool at all, or to the farmer. The help was given to the banks.

An hon. Member: It was the banks you saved.

Mr. Bennett: I appeal to you, Mr. Speaker, and through you to the Canadian people, to judge whether anything could better illustrate the line of thought indulged in by some hon. members than the two observations to which we have just listened.

An hon. Member: God help the farmer anyway.

Mr. Bennett: Could anything be better calculated to bring—shall I say?—despair on the part of those farmers who are struggling with adversity than this counsel of desperation to which we have been listening? The banks have money belonging to their depositors, and they owe it to them. The banks have no right to lend that money upon security which will hazard the deposit. The banks have lent the money to the farmers, to the pool—which was a voluntary organization created by the farmers themselves and not by the country. The banks were called upon to do one of two things; support that market by continuing to advance money; or stop doing so and let wheat drop 40 cents.

Mr. Young: Would wheat have dropped 40 cents if you had not taken the action you did?

Mr. Bennett: I cannot say. I can only say that that is the judgment of those well able to express an opinion on the subject.

Mr. Young: That is 40 cents more than it actually did drop.

Mr. Bennett: No, it would have dropped to 40 cents a bushel.

Mr. Vallance: It went to forty-one cents to the grower at the shipping point.

Mr. Bennett: I am not talking of that, I am talking of the market price. Let us go one step further. We did that. The pool controlled over 50 per cent of the wheat of this country, and the support given to the pool wheat protected and supported the non-pool wheat. That was well known by everybody. At a given day on the Winnipeg exchange it is a fact, known to those who take the trouble to investigate, that but for the action taken by the government the bottom would have entirely dropped out of the market.

Now, 50 cent wheat is no new thing in Canada. Have any hon. gentlemen read the life of Sir William Van Horne? Do you recall the days of 50 cent wheat as reported by his biographer?

Mr. Brown: I recall it.

Mr. Bennett: Then my friend from Lisgar has had experience of what 50 cent wheat means.

Mr. Brown: Overalls were 75 cents then; to-day they are $3.

Mr. Bennett: Quite so.

Further discussion took place, but I desire to direct attention to the fact that it was made abundantly clear at that time that we

had supported the situation by guaranteeing the banks. I am quite certain my hon. friend overlooked the observations made by me on April 28, 1931, and the earlier observations made on March 17, 1931, which appear on page 70 of Hansard. My memory was somewhat uncertain as to what I had said at that time but I secured the Hansard, and that is the record.

Mr. MOTHERWELL: I am sure the Prime Minister (Mr. Bennett) will take no exception to the simple question I intend to ask. Mr. McFarland began his operations on the Winnipeg market in the fall of 1930, I think in November. Would not it be the natural and logical thing to have the standing of his account given to parliament at the end of each grain year, that is July 31? This would bring matters up to July 31 of last year and his standing to-day would not be divulged. I think this should be done in order to preserve some of the business ethics of government which they are now demanding of others—chain stores for example. I have never had much business experience but I know of the old saying that short accounts make long friends and long accounts make short friends. Why should not the government try to follow out this adage and give us a short account in order to preserve a long friendship? Where you have an account running for years you are bound to get into trouble. It is claimed sometimes that memos have not been made or have been lost, that this and that has not been put down or someone has died, and perplexities thus arise. I have not been worrying the Prime Minister with questions to-day; this is the first one I have asked.

I might say that I have been a wheat pool contract signer, although there are no contracts now. As a citizen of Canada I have a share in the line of credit being used and the guarantee given by the government. I am interested also as one who still patronizes the wheat pool, even though there are no contracts. I do not think it is exacting or unreasonable to ask the government to let us have a statement up to the end of each crop year. Surely to goodness we could not ask anything more modest than that. I am in the position of my hon. friend to my right (Mr. Lapointe); my constituents are asking me for information about this. If this thing is allowed to run indefinitely there is bound to be trouble at the end. Someone will have to clean up the whole thing and it may not be our friends opposite; it may be some other government, even a government of the Cooperative Commonwealth Federation. To do this would be recognizing just a little of the business principles which actuate people in carrying on their own business.

Mr. VALLANCE: I imagine the hon. member for Melville (Mr. Motherwell) is just as well acquainted as I am with the facts in connection with the guaranteeing of wheat in western Canada during the last four years. There was a government which guaranteed the pool before this government came into the picture. The Manitoba, Saskatchewan and Alberta governments saw fit to come to the rescue of the pools in 1929 and 1930. There was no disposition on the part of those governments at that time to conceal from the electorate or the taxpayers the position of things. It was well known during the whole activities to what extent the governments were guaranteeing. In fairness to the hon. member for Melville, I must admit that no ill effects came from that information being given out. I cannot say whether there would be the same result if the information now asked for were given to the committee. My perambulations through western Canada were considerable for the six months before I left to come to Ottawa—I may say that I took part in the Mackenzie by-election—and in all my perambulations I did not meet one farmer who asked me how the government stood one way or the other. It is not very often that hon. members opposite agree that I am fair, but in this instance I must make that statement.

We must admit that there was a time when you could not sell wheat on the Winnipeg market. The only individual who was taking up options was Mr. John I. McFarland. As to how low wheat would have have gone if this action had not been taken, I do not know, but the fact is that there were days when you could not sell Canadian wheat on the Winnipeg market. While I should like to say that the government should not divulge this information, as I said before, I do not see where any good could come out of giving it and there might possibly be some harm.

Mr. BAKER: If the western farmer did not complain, why should a representative of the western farmer make a complaint in this house?

Mr. MOTHERWELL: I have not had the advantage of being a member of the banking and commerce committee, nor have I read all the evidence. I was present for a short time as a spectator but I was not particularly edified by what I heard. However, I am a member of the House of Commons; we

are in committee of the whole and I do not think the Prime Minister will say that I have asked an unreasonable question. If he declines, the responsibility is not mine.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, March 28, 1934

The house met at three o'clock.

ROYAL ASSENT

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

Ottawa, March 28, 1934.

Sir,—I have the honour to inform you that Right Hon. Sir Lyman P. Duff, acting as the deputy of His Excellency the Governor General, will proceed to the Senate chamber to-day at 5 p.m. for the purpose of giving the royal assent to certain bills.

F. L. C. Pereira,
Deputy Assistant Secretary
to the Governor General.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MOUNTED POLICE SEIZURES

Mr. MacLEAN:

1. How many seizures were made by the Royal Canadian Mounted Police in Prince Edward Island under the Customs Act in the calendar year 1933?

2. How many seizures were made by the Royal Canadian Mounted Police in Prince Edward Island under the Excise or Inland Revenue Act in 1933?

3. What kind of goods were seized, giving quantity and value of each?

Mr. MATTHEWS:

1. Seventy-nine (79).

2. Thirty-one (31).

3. Customs Act—

	Quantity	Appraised Value
Vessels	4	$1,250 00
Automobiles	9	1,900 00
Rum	220 gallons	660 00
Alcohol	50 "	50 00
Whiskey	53 "	795 00
Miscellaneous articles	1	5 00

[Mr. Motherwell.]

	Quantity	Appraised Value
Excise Act—		
Beer	150 gallons	$ 32 15
Mash	132 "	15 70
Rum	127 "	9 00
Illicit Spirits	20 "	554 00
Alcohol	99 "	126 00
Whiskey	43 "	245 00
Complete Stills	9	8 50
Miscellaneous articles	9	20 45

QUESTION STANDING AS ORDER FOR RETURN

MAGDALEN ISLANDS TELEPHONE SERVICE

Mr. BRASSET:

1. Who is the chief of the office of the telephone service in the Magdalen islands at the present time?

2. When was he appointed?

3. Is he under the jurisdiction of the Civil Service Commission?

4. What is his salary?

5. What is the total number of telephone subscribers in the Magdalen islands?

6. How many persons, if any, have not paid their telephone subscription for the past two years?

7. What is the name of each such person?

MOTIONS FOR PAPERS

EDGAR BOUTET

Mr. POULIOT:

For a copy of order in council, P.C. 2436, of November 29, 1933, respecting the appointment of Edgar Boutet as executive secretary in the office of the Postmaster General.

CARRIAGE OF MAIL—TEMISCOUATA COUNTY

Mr. POULIOT:

For a copy of all correspondence exchanged between Mr. A. J. Morin and any other person on the one hand, and the Post Office Department as well as the office of the Prime Minister, on the other, respecting the carriage of the mail to Pied du Lac, Boisvert, Les Etroits and Belanger Siding, county of Témiscouata, since 1930.

PROVINCIAL SUBSIDIES—MARITIME PROVINCES

Mr. ILSLEY:

For a copy of all correspondence since September 23, 1926, between any of the governments of the maritime provinces or any premiers, ministers or departments in such governments, and the government of the Dominion of Canada, or any prime minister, minister or department in such government, or any board of audit appointed by the dominion government, relating to revision of the financial arrangements between the dominion government and the maritime provinces and the reassessment of

provincial subsidies mentioned in subsection 6 of section I of the report of the Royal Commission on Maritime Claims of which Sir Andrew R. Duncan was chairman.

RETAINING WALL—ABENAKIS VILLAGE

Mr. CHEVRIER (for Mr. Boucher):

For a copy of all contracts, letters, correspondence and paylists, respecting the construction work performed in 1930, and the reconstruction or repairing of the retaining wall opposite the convent of the Grey Nuns, in the Abenakis village, in the Indian reservation, county of Yamaska; also a copy of all reports of inspection respecting the acceptance, defects and renewal of such work.

SHIPS CLEARANCE PAPERS

On the orders of the day:

Mr. PIERRE CASGRAIN (Charlevoix-Saguenay) (Translation): Mr. Speaker, has the hon. Minister of Marine (Mr. Duranleau) been able to obtain the information which I requested about ten days ago? Where can navigators and seamen, especially those of Quebec, obtain books in French relating to marine charts and clearance papers?

Hon. ALFRED DURANLEAU (Minister of Marine) (Translation): Mr. Speaker, so far as the last documents mentioned by my hon. friend, the question should be put to the Department of National Revenue. As to marine charts and tidal records, there are none at present in French, and there has never been any under whatever regime; however, for some time past, I have given instructions that they be issued in both languages.

CRIMINAL CODE

On the orders of the day:

Mr. ARTHUR DENIS (St. Denis) (Translation): I wish to inquire of the government whether it is the intention to codify in the French language the acts dealing with criminal offences enacted from 1927 to 1933, the same as they have been codified in English. Quebec would be very grateful to the government.

Hon. ALFRED DURANLEAU (Minister of Marine) (Translation): The question raised by my hon. friend is under consideration.

Mr. DENIS (Translation): Will this take long?

BUSINESS OF THE HOUSE

INQUIRY AS TO LEGISLATION TO BE INTRODUCED AFTER EASTER RECESS

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, as we are about to enter on the Easter recess I should like to ask the Prime Minister if, when parliament reassembles, he will find it possible to inform the house as to what legislation, other than that which may appear upon the order paper at that time, the government is likely to bring down before the close of the session. Also I should like to know if it would be possible to have the major measures brought down as soon as possible after the recess.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I shall endeavour, as soon after the house reconvenes as possible, to make known to hon. members the measures the government will introduce. In the very nature of things there is no effort to delay the introduction of legislation, but the two bills now before the committee on banking and commerce involve legislation in connection with at least three other matters, and until such time as they are disposed of the legislation cannot be submitted to the house. There is legislation foreshadowed in the speech from the throne which has been delayed in preparation, because conferences with those interested have not always been easy to arrange. I have no doubt the right hon. gentleman knows how difficult it is to get all persons interested at one time to consider and to deal with matters of public importance. But every effort will be made to submit to the house as soon after we reconvene as possible a statement as to the major measures which will engage the attention of parliament during this session.

Mr. MACKENZIE KING: I thank the Prime Minister for that assurance. My right hon. friend will appreciate that with so many committees sitting it is very difficult for those of us who have not seen the intended legislation to have a chance to study it, and particularly is that so with respect to amendments to the Dominion Elections Act. If we could have that bill at as early a date as possible that would be appreciated.

Mr. BENNETT: As a matter of fact, that has been in preparation since we met. I indicated the other day that at one time we thought of leaving the whole matter to the committee, as was done on one previous occasion. But owing to the fact that so many members are engaged in the different committees it is difficult to get a sufficient number to meet in the committee on privileges and elections. With that in mind we have gone forward with the preparation of the bill, which I trust within a reasonable time after reconvening we will be able to submit to the house. After the measure is introduced

it can lie on the table for a substantial length of time, so as to enable hon. members to study it.

TOBACCO INDUSTRY

REPORT OF INQUIRY CONDUCTED BY HON. DONALD SUTHERLAND

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, there is a report which a number of hon. members would like to see, namely, the report of the Hon. Donald Sutherland on the tobacco inquiry of 1933. The hon. member for South Essex (Mr. Gott) has a notice on the order paper under the heading of notices of motions for production of papers in which he asks for a copy of the report. The hon. member has been in his seat every time the order has been called, but on each occasion has allowed it to pass. It is difficult to understand what his motive may be.

Mr. GOTT: That will be made known in due course.

Mr. MACKENZIE KING: Whatever that may be, I am going to ask the Minister of Labour, who has the report, whether he could not lay the report on the table of the house before the adjournment this afternoon. There seems to be no reason why the report should not be given to those of us who wish to see it.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the Minister of Labour (Mr. Gordon) will make a statement with respect to the report, but because I must take some responsibility with respect to it may I say that when the member for South Essex (Mr. Gott) placed his motion on the order paper and, in due course, it was reached, he expected that there would be no difficulty about the motion being passed and the report brought down. The Minister of Labour mentioned the matter to me, and after looking into it it appears that the same difficulty arises as has arisen with respect to some other reports made in times past. The minister will give a more detailed explanation than I will, but the report is of such a character as does not contemplate presentation to the house. I may add that the hon. member for South Essex, to whom reference has been made, has been rather insistent that the statute should be disregarded. He has said he has a right to see the document and have it laid on the table of the house. Those of us who know him know that he can express himself in a most insistent manner. It is only because of the conclusion about which the minister will speak, and which the law officers tell me is correct, that this document has not been tabled in compliance with the motion on the order paper.

Hon. W. A. GORDON (Minister of Labour): The report to which reference was made is the report of a commissioner—not a royal commissioner—made under the Combines Investigation Act. In the past it has not been the practice nor has it been considered advisable to make these reports public. Section 28 of the Combines Investigation Act which deals with the publicity which should be given to reports is as follows:

> Any report of a commissioner, other than an interim report, shall within fifteen days after its receipt by the minister be made public, unless the commissioner is of the opinion that the public interest would be better served by withholding publication and so states in the report itself, in which case the minister may exercise his discretion as to the publicity to be given to the report in whole or in part.
>
> 2. The minister may publish and supply copies of any report in such manner and upon such terms as to him seems most desirable.

This section refers to a commissioner under the act. Then, section 27 deals with the report of the registrar, and is silent as to publication. However, heretofore the practice has been that those reports are not made public. The reason obviously is that when the registrar makes an investigation by himself or by one appointed for such purposes, all the persons or firms are inquired into ex parte, and the information is given in confidence. The act contemplates that any six persons, by signing an application and without stating anything further than that in their opinion a combine exists, may start the machinery in motion. This proceeding is not like other quasi criminal or criminal matters where informations are laid and where the informant must, as in the case of a search warrant, state the reasons upon which his belief is founded. Very frequently it happens, at least so I am told by those who have been associated with the operation of the act for years, that where the six persons sign the application they do not appear as witnesses at all. It is sufficient to start the law in motion merely to state that in the opinion of the six a combine exists. The registrar then investigates. The registrar on an ex parte investigation may conclude that a com-

bine in restraint of trade, a combine as interpreted by the act, does exist, but up to that time the investigation is still ex parte in a sense, the persons being investigated giving the details of their business to the registrar. But, as in this case, where the registrar in the exercise of his discretion says that in his opinion a combine does not exist it would be unfair, and I think the practice heretofore followed is sound, that the confidential information incorporated in the report of the registrar should be made available to the competitors of the firm or firms whose business was being investigated.

The investigation by the registrar, if further proceedings are taken, becomes the foundation ultimately of a criminal prosecution. The next step would be the review by the minister of the registrar's decision if he has declared that the act has been violated, and then those whose conduct is under review, so far as I have been able to learn, do not appear before the minister whether he may or may not agree with the registrar, although I think it has rarely happened that the minister has disagreed with the registrar.

If a combine is reported to be in existence, the record then goes to the appropriate attorney general, or it may be referred to a royal commission, and the royal commissioner may then conduct an inquiry in public. That is the publicity that is referred to in section 28. He may report that the firms have been guilty of an invasion of the act. But during all these various investigations there has been no charge laid. The people are not put upon their trial. Their business is simply being investigated. Ultimately, as I say, the report may be dispatched to the appropriate attorney general of the province in which the offence is said to have occurred, and it is there reviewed by the law officers of the province, because the province is charged, under our constitution, with the administration of these statutes. They may conclude that there is no offence. If they so conclude, in the face of the registrar's decision and possibly the decision of a royal commissioner, that a violation of the act has taken place, then after the lapse of three months a prosecution may take place at the instance of the attorney general for Canada. But up to that point the people whose conduct is under review have never been charged with an offence, and it is not until they come before a magistrate in the province and a charge is laid and a preliminary inquiry held that the necessity for making out a prima facie case sufficient to put a person upon his trial arises. If a prima facie case is made out the person may be tried before the magistrate or, having the right of election, may go up for trial to the next court having competent jurisdiction, and in the usual course an indictment would be laid before the grand jury. There might even then be no bill found. If a true bill is found, then for the first time the person comes before the courts to have his conduct with respect to non-compliance with the provisions of the Combines Act brought under the review of the tribunal which would impose a penalty if a verdict of guilty was returned.

So it will be seen that during the course of the proceedings under the Combines Act, if the inquiries made by the registrar were made public, the person whose conduct was under review might suffer a very great injury, and particularly so when the registrar's report is to the effect that no combine within the meaning of the act exists, because it is obvious that the information gathered by him and by his officers, being in many instances of a confidential nature, would then immediately become known to the man's competitors. As I say, the practice in the past in this house, so far as I have been able to learn, has been not to make these reports public, and I agree with the established practice. If, for instance, the committee at present sitting on price spreads desires to have the position of the growers of tobacco spread upon the record—

Mr. SANDERSON: Would the minister permit a question? I would ask if the Hon. Donald Sutherland, the commissioner who investigated the tobacco industry, reported to the Minister of Labour that there was or was not a combine among the buyers?

Mr. GORDON: That is really what we are discussing now.

Mr. SANDERSON: I thought so.

Mr. GORDON: In order that the inquiring mind of the hon. member may be relieved, the Hon. Donald Sutherland made his report to the registrar and the registrar reported to me.

Mr. GOTT: Will the minister permit me to make an interjection? These preliminary hearings have been taking place not only recently since 1930, but ever since 1922.

Mr. MACKENZIE KING: Has the minister concluded his remarks?

Mr. GORDON: Yes.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I know that this matter is not debatable but I should like to point out to the minister that his own words at the beginning of his remarks, and I think he was right, were to the effect that publicity was an important feature of the combines legislation, but that the law states that the report is not to be made public if the commissioner himself says that it is not to be made public. The minister has the discretion as to whether it shall be made public or not. Are we to understand that the commissioner in his report said that in his opinion it would not be in the public interest to have his report made public, because unless that statement is there, there is nothing to preclude the minister from making the report public?

Mr. GORDON: I think the right hon. gentleman is confusing the registrar and the commissioner.

Mr. MACKENZIE KING: No.

Mr. GORDON: I read the section.

Mr. MACKENZIE KING: Please read the section about the commissioner.

Mr. GORDON: Section 28 reads:

> Any report of a commissioner, other than an interim report, shall within fifteen days after its receipt by the minister be made public, unless the commissioner is of the opinion that the public interest would be better served by withholding publication and so states in the report itself, . . .

Mr. MACKENZIE KING: That is what I wanted to know, if the commissioner had stated in the report that it was not in the public interest to make it public.

Mr. GORDON: There never was a commissioner in connection with the investigation into an alleged combine in tobacco. The registrar made the investigation and a commissioner was never appointed. With respect to the report of a registrar, the act is silent as to publicity but the practice has been not to make these reports public or to lay them upon the table of the house. Probably I should not make these observations, but I must say that it is competent to the committee now sitting to subpoena witnesses. These witnesses who were interviewed under the Combines Act are easily available and the committee could get their evidence first hand. I suggest respectfully that it would be infinitely better if these witnesses were available for cross examination. It would not be an investigation such as the registrar makes ex parte and at which he very often gains information which is given to him in confidence.

Mr. MACKENZIE KING: Let us forget all about the registrar; it is the report of the commissioner with which we are concerned. Mr. Sutherland was the commissioner.

Mr. GORDON: He was not the commissioner.

Mr. MACKENZIE KING: What was he?

Mr. GORDON: He was appointed merely to gather this information for the registrar.

Mr. MACKENZIE KING: As commissioner.

Mr. GORDON: No.

Mr. CASGRAIN: By what authority was he appointed?

Mr. GORDON: By order in council.

Mr. CASGRAIN: Under your department.

Mr. MACKENZIE KING: That is my understanding of a commissioner.

Mr. ILSLEY: Might I point out that a commissioner must be one who is appointed by the governor in council under section 2, subsection 2 of the act. Mr. Sutherland was a commissioner under the act.

Mr. CASGRAIN: Did he state that this report should be withheld from publicity?

Mr. SPEAKER: There is nothing before the house to warrant a general discussion.

UNEMPLOYMENT AND FARM RELIEF

BILL IN TERMS GENERALLY OF RELIEF ACT, 1933, WITH PROVISION RESPECTING DELAYED RELIEF ACCOUNTS

The house resumed from Tuesday, March 27, consideration in committee of Bill No. 42, respecting relief measures.—Mr. Gordon.—Mr. Gobeil in the chair.

On section 2—Agreements with provinces.

Mr. MACKENZIE KING: Last night I asked the minister to give the committee full information as to the guarantees given to the banks under this legislation. He gave only one and I should like to have them all.

Mr. GORDON: A guarantee of $660,000 was given to the Bank of Montreal by P.C. 1285, passed on June 28, 1933, with

respect to the production of 30,000 tons of steel rails to be manufactured by the Algoma Steel Corporation.

Mr. EULER: Has that guarantee been discharged?

Mr. GORDON: No. P.C. 1577 of July 11, 1932, P.C. 213 of February 6, 1933, and P.C. 1101 of June 6, 1933, provided for guarantees to the banks against loss with respect to advances amounting to $15,538,500 secured by first mortgage bonds of the Beauharnois Light, Heat and Power Corporation. P.C. 1078 of June 2, 1933, guaranteed the interest and principal of a treasury bill of the province of British Columbia in the amount of $626,533.75 issued to the Canadian Bank of Commerce to meet New York maturities of the province. P.C. 1076 of June 2, 1933, guaranteed certain chartered banks for the repayment of an amount up to $1,100,000 advanced to the Dominion Steel and Coal Corporation of Nova Scotia in connection with the production of 50,000 tons of steel rails and authorized the payment of interest at five per cent by the government on such guaranteed advances until the rails were paid for by the Canadian National Railways. P.C. 1077 of June 2, 1933, guaranteed the interest and principal of a treasury bill of the province of Manitoba in the amount of $5,894,127.49 issued to the Royal Bank of Canada to meet and retire maturities of the province in New York. P.C. 972 of April 28, 1932, and P.C. 318 of February 22, 1933, guaranteed the chartered banks in Winnipeg against loss due to the assumption of liabilities of the province of Manitoba savings office to the amount of $12,108,301.63. P.C. 538 of March 22, 1933, guaranteed repayment to certain chartered banks of an advance of $625,000 to Newfoundland. P.C. 2238, of September 12, 1931, P.C. 1576 of July 11, 1932, and P.C. 685 of April 12, 1933, guaranteed repayment of advances made by chartered banks to Canadian Cooperative Wheat Producers Limited in connection with wheat or other grains grown in 1930 and purchases of wheat or other grains deemed necessary to secure the advantageous sale of such grains. P.C. 2239 of September 12, 1931, P.C. 2403 of September 28, 1931, and P.C. 2977 of November 30, 1931, guaranteed repayment of advances by chartered banks to marketing agencies in connection with the 1931 crop. P.C. 2077 of September 20, 1932, P.C. 508 of March 20, 1932, and P.C. 746 of April 20, 1933, guaranteed repayment of advances by chartered banks to marketing agencies in connection with the 1932 crop. P.C. 2490 of November 29, 1933, guaranteed repayment of loans made by chartered banks to the Canadian Pacific Railway Company totalling $60,000,000, with interest thereon at the rate of five per cent per annum payable half yearly, such loans to be repaid on or before December 1, 1938, and to be secured by deposit, as a pledge to the several banks, by the said railway company, of its perpetual four per cent consolidated debenture stock having a nominal or par value of $100,000,000. In the event of the dominion being called upon to repay at maturity the whole or any part of such loans and interest, provision is made for transfer by the banks to the crown of the securities held. Those are the guarantees made in the legislation.

Mr. MACKENZIE KING: When the minister was speaking of orders that had been passed under peace, order and good government, he stated that these were all the orders so far as they related to the Department of Labour. Were there any orders which related to other departments of government, passed under that provision?

Mr. GORDON: I believe my statement was that these were the three that the Department of Labour had knowledge of, but they sprang in fact from the Department of Finance, and I believe that these were the only ones passed under that part of the section.

Mr. MACKENZIE KING: The minister would have knowledge of all orders, I presume.

Mr. GORDON: I presume I would.

Mr. STEWART (Edmonton): Then, in addition to this very extended list that the minister has given us for our information, there will be a much larger sum included in guarantees for which the government is responsible in the event of default. I heard for the first time about the guarantee of an advance to Newfoundland, under which the government of Canada became responsible for a certain amount, as well as the guarantees in respect of advances to the Beauharnois company, which involves a very large amount, all to be additional to the amounts we have here, namely, a sum computed at $110,000,000, plus loans to provinces, which are direct loans of, I think, $52,000,000 in round figures. So that under the legislation for the purpose of unemployment relief the government seems to have covered an exceedingly wide field. These guarantees to wheat producers as well as for the purchase of

grain, all operating under this act, are to my mind entirely foreign to relief. It might be said that the loan to the Canadian Pacific Railway Company for the purpose of employing men might well be included. But surely where guarantees are of such a wide and varied character as those indicated by the minister in his report of the orders in council passed under the legislation, the government of Canada is becoming responsible for a staggering amount in the event of failure of payment; and, frankly, with respect to some of these investments the government will more than likely have to come to the rescue. There is one certainty about the matter, and that is that unless economic conditions change the government will be responsible. Taking the tremendous addition to the debt of the country, coupled with the guarantees, the matter assumes staggering proportions. It does seem to me that too wide powers are granted the government under the provisions of this act. I know it is the tendency of the present day for governments to take such powers, and while we are prohibited from discussing other acts that are being brought down, it does seem to me that we appear to be rushing headlong in this direction.

Mr. GORDON: These powers have been deleted from the present bill.

Mr. STEWART (Edmonton): I am not so sure about that; one would have to look into the matter more carefully before admitting that they are. Indeed, the last section of the bill gives some wider powers. However, I do not propose to discuss that at the moment. After listening to the recital of these orders in council I must say, however, that the government seems to me to have included everything it deemed necessary, or everything it could include in the act. I knew that the provisions of the act were wide, but I confess at once that I did not think it had reached the point of the government becoming responsible for deficits of foreign governments and for any possible deficits that may occur so far as Beauharnois is concerned.

Mr. RHODES: What foreign government has my hon. friend in mind?

Mr. STEWART (Edmonton): Well, I suppose I was a little unfortunate in the expression I used, but the government of Newfoundland is included in one of the orders in council to the extent to which my hon. friend has guaranteed that government along with the British government. I confess at once that I was unfortunate in saying foreign government; I should have said one of the governments of the empire. But even that, in my opinion, was surely never contemplated as coming within the four corners of this measure. That is the argument I make, and it shows, when you grant these wide powers, to what extent governments will exercise the privilege afforded under the provisions of such an act. We on this side have been protesting and protesting against these wide powers. I may say frankly to my hon. friend I do not think the guarantee to Beauharnois has any business to come under the provisions of this measure. The government knew what they were doing when they were guaranteeing Beauharnois; they knew what the amount would be. I am not going to elaborate now on the terrible mistake I think the government have made in connection with Beauharnois; perhaps some day we shall have an opportunity of discussing the matter, but under the provisions of this legislation the government have strained their powers tremendously in including a guarantee of that sort.

Mr. WOODSWORTH: I should like to join with the hon. member for West Edmonton (Mr. Stewart) in protesting against what seems to be an unwarrantable extension of the meaning of the act. I could understand how the government might have made grants to the Canadian Pacific for keeping their shops open in order that work might be given to certain of their employees, but it is an altogether unwarranted extension when the government guarantees loans to the Canadian Pacific. That has nothing to do with the immediate purposes of relief.

The hon. member for West Edmonton has made a similar statement on the action of the government towards Beauharnois. That is a private concern; it was not immediately giving work to large numbers of our Canadian people. The government's action was essentially a guarantee to the banks that were financing the enterprise, and I do not think that comes within the original meaning of the act.

The same thing applies to Newfoundland. I am not a lawyer, but it strikes me that it might very well be contested by almost any citizen of Canada whether an act for the relief of Canadians makes possible dealing with affairs entirely outside this country. The only possible argument that could be used would be that Canadian banks were concerned, and in this and many more cases we had to come to the relief of Canadian banks that had investments abroad.

Omnibus legislation of this kind is very unsatisfactory. If the government wants to take to itself power to help Canadian financial institutions it ought to bring in a measure taking power to help those institutions but it should not do so in this back door sort of way.

In connection with relief proper I have a suggestion to offer to the government. This is the last day before we adjourn for Easter recess. It is quite obvious that before we adjourn we cannot get very far in legislation of this kind. Further, as was announced yesterday, the meeting which was to have taken place between the provinces and the Dominion government has been postponed for some time. We cannot intelligently discuss this matter until we have the report as to the arrangements that are likely to be made between the provinces and the Dominion government. Members of every party in the house are quite willing that relief shall be granted and are anxious that a proper relief scheme should be inaugurated, but as matters stand now, we are inevitably thrown into hostile camps and either we have to defend a policy that is not very clear or oppose one about which we know and can know very little. My suggestion is that the government should not press this matter to-day, but rather, during the recess, should take into serious consideration the drafting of a constructive program designed to deal with the whole unemployment situation. We have been promised in the past that the government would seriously consider some sort of unemployment insurance scheme. We have been promised that they would inaugurate some sort of public works scheme. We have been told that the present scheme of the dole is very unsatisfactory. I think the Prime Minister believes that; I think we all believe it. It was initiated two years ago as a sort of stop-gap arrangement and it would seem as if we should not indefinitely carry on along this line.

I should like to give the government credit for two measures that they have brought down this session. First, the central bank arrangement, which, although I do not altogether like the details of it, is one that shows a great deal of boldness and imagination and marks a distinctly forward step. Again, while I do not want to anticipate the discussion on the marketing legislation, I concede that it also has boldness and imagination. The government in these two very important departments of our public life is preparing to take a really forward step. I would venture to suggest that they might very well bring forward a third measure dealing with unemployment. Then side by side with the central bank and marketing legislation, rounding out, as it were, their program we would have a well conceived and carefully drafted bill dealing with this important question of unemployment. It is quite obvious that the government have been influenced in their central bank legislation by some of the developments in Great Britain, the United States and elsewhere, and that also in their marketing legislation they have been influenced by developments in the United States, Great Britain and some of the other dominions. I cannot see why they should not receive whatever help they can from the NRA and from some of the schemes that have been put into operation in Great Britain, and bring in this session a carefully arranged scheme. I believe such a scheme would be fairly well assured of support on the part of this house. I cannot speak for the official opposition, but I think I can speak more or less for members in our own corner, and more than that, for a very large number of people throughout the country. If I read the press aright, I think the public generally expect the government to do something of this kind. I am not particularly concerned with the political future of the government, but even from that standpoint they would be well advised, when they are looking after the financial and commercial interests, not to neglect labour and those who at one time were in the ranks of labour but who to-day are in the ranks of the unemployed. This session would not be altogether barren if the government would carefully consider such a suggestion and bring in a definite scheme.

Mr. EULER: What is the total amount of the guarantee to the Beauharnois corporation? I think the initial amount was something like $30,000,000. Has any further guarantee been given?

Mr. GORDON: No further guarantee has been given. The amount was $15,438,500.

Mr. EULER: Can the minister say what expectation they have as to the date upon which this guarantee may be discharged, I suppose by future financing directly on the part of the Beauharnois corporation? Has he any information on that point?

Mr. GORDON: I have not any information on that point, but the loan was secured on major securities of the company—first mortgage bonds—and I have no doubt that is the method which will be employed to retire this loan.

Mr. EULER: One notices in the press that Beauharnois is making a new issue of bonds and I assumed the moneys were perhaps to be devoted towards discharging the liability to the banks by whom the money was advanced. I am not usually very critical of some of the acts of the government, perhaps not so much as I should be; I like to be on pretty safe ground when I do offer any criticism. Certainly no one on this side of the house, I believe, has any fault to find if the government uses the authority which it has for the purpose of relieving those who are unemployed. But I cannot see how the government possibly can bring under the category of relief to the unemployed such matters as to the guarantee of $60,000,000 to the Canadian Pacific, for example. That has not the remotest connection with unemployment or unemployment relief. Neither, I think, has the making of loans to the various provinces to the extent of something like $52,000,000. Certainly it can have no possible connection with relief when we guarantee the debts of the Dominion of Newfoundland, or what now has become the colony of Newfoundland. As I recall it the only excuse given for joining with Great Britain in guaranteeing Newfoundland's debts was that it might tend to destroy or hurt the credit of Canada if Newfoundland went into default. I think that is so far fetched, Mr. Chairman, as not to be worth any consideration whatsoever. Thus, by way of guarantees to the Canadian Pacific and to the Beauharnois company; by way of gifts to certain industrial concerns such as the Dominion Steel, the Algoma Steel and the Canadian Pacific; by way of loans and guarantees and advances we have committed ourselves to something like $100,000,000 or $125,000,000, a tremendous sum.

As I say, Mr. Chairman, I have no objection whatever to having those powers used for the legitimate purpose of relieving unemployment, but as I said before I do not see how you can possibly argue that such a thing as the guarantee of the loan to the Canadian Pacific or the guarantee of the debts of the colony of Newfoundland possibly could come in that category. If these things are done—and in this connection I refer also to the loans made to the provinces, in connection with which I am not sure that we ought to go any further—is it not just conceivable that the credit of the Dominion of Canada will be affected fully as much as if some of these corporations or provinces were allowed to go into default?

I arose more particularly, perhaps, to criticize the method by which the government guaranteed the advance to the Canadian Pacific. I hope no one will think I have any particular prejudice towards that great company, but I do say, as the leader of the opposition said a few days ago, that it should not have been done under this act; it has no connection whatever with relief. If it were thought desirable—and I think it is highly questionable whether or not it was desirable—to guarantee the $60,000,000 loaned by the banks to the Canadian Pacific against the retirement of their bonds, it should not have been done in the way it was done. The matter should have been brought to parliament and parliament should have passed upon it. I think it was almost an affront to this house and to hon. members, in view of the fact that parliament was in session last year at the time negotiations were being carried on in connection with this guarantee of $60,000,000, that parliament was not advised of what was taking place. I will say this, also; when it was definitely decided that the gurantee should be made, with this house in session I say it was almost an affront to this parliament that due notice was not given to that effect. If we are to continue in that way where in the world will we end? I leave it to the fair minded members on the other side of the house as to whether or not this sort of thing should be carried on indefinitely. If it was right to guarantee the $60,000,000 loan to the Canadian Pacific for the retirement of their obligations surely it was the privilege of hon. members of this house to know about it when we were actually in session at the time.

I rise now to make my protest against that sort of thing; I think it should not be countenanced, and I believe if hon. members opposite had their say they would disapprove of it also.

Mr. MACKENZIE KING: Following what my hon. friend has just said I should like to ask the minister if he has the total of the guarantees that have been given to the banks. The figures given a moment ago by the hon. member for North Waterloo are far short of the mark. The hon. member said he thought that the amount of advances and guarantees combined would be something like $125,000,000, but I believe they considerably exceed that total. While the minister is obtaining the figures I would direct his attention to some figures we already have. The statement given by the minister as to actual cash disbursements up to March 22, total $110,000,000. The loans and advances given in the statement amount to $52,000,000. The guarantee given in connection with the Canadian

Pacific alone would be another $60,000,000, and there are the further guarantees which were cited by the minister this afternoon as well as the guarantee to the banks with respect to the wheat pool to which the Prime Minister referred last night. I think these will bring the total of advances and guarantees to very much beyond the point at which it was put by the hon. member for North Waterloo.

Mr. EULER: Possibly I was misunderstood; I was not referring to the $110,000,000 actually expended on relief, which I presume was handed over to the provinces since none of it was expended directly from the dominion treasury. If that amount is taken in addition to the figure I gave the total would be about $225,000,000 or $230,000,000, an amount that this house surely should consider very seriously.

The CHAIRMAN (Mr. Gagnon): Shall the amendment carry?

Mr. MACKENZIE KING: No, Mr. Chairman. Will the minister give us the total amount of the guarantees to the banks?

Mr. EULER: I should like to amend my statement again; I entirely omitted to speak of the guarantees given in connection with the wheat purchases. I do not know to how many millions or hundreds of millions that might run.

Mr. MOTHERWELL: That is being kept under their hats for the present.

Mr. GORDON: Mr. Chairman, the guarantees to which reference has been made were given, of course, under the provisions of section 2 (a) of the act of 1933, by which this parliament gave this government the right to loan or advance money or guarantee the payment of money by any public body, corporation or undertaking. In the judgment of the government these guarantees were made; the government thought it wise to do so. In the bill presently before the committee, as hon. members will observe, the right to make such loans, advances or guarantees is deleted.

With respect to these guarantees—and I can only speak of some of them, because others come under different departments of the government, and the Prime Minister yesterday made very clear, I thought, the situation with respect to the wheat purchases—I might say this: In connection with the Algoma Steel Corporation, about a year ago a very large delegation saw me with respect to the condition of the working people. Perhaps I had better deal with Nova Scotia first.

Mr. MACKENZIE KING: So that we may not get away from this question, would the minister give us the total?

Mr. GORDON: It is being totalled now, and I shall have the figures in a moment or two.

Mr. MACKENZIE KING: It seems to me the minister is getting a long way from the point.

Mr. GORDON: It has to be added up by the officers who are sitting in front of me. First I shall deal with the Nova Scotia steel situation. A very large delegation saw me and indicated that there was acute distress in that province. Workmen had not been drawing wages sufficient to maintain them, and that condition had been in existence for a number of years, probably beginning about the first or the middle of 1929. In each succeeding year the situation had become more acute. The delegation was composed of representatives of municipalities, the clergy, boards of trade and, if my recollection serves me correctly, there was not a member of parliament with them. The government believed that no better method could be employed to relieve the unemployment situation in Nova Scotia than to guarantee one-half of the cost of a rail order of 50,000 tons, that one-half amounting to $1,100,000. Quite true, the Canadian National Railways might not need those rails for a year or two, but they are not destructible. I believe no better form of relief could have been granted than that of guaranteeing the banks in connection with that rail order. It provided work in the steel plants and in the coal mines, and I have been advised by representatives of the company and by other public men that those steel orders being given in Nova Scotia acted as a backlog for a considerable quantity of other iron and steel business. Orders were received from South Africa, Great Britain and Australia, and the president of the company told me that had that guarantee not been given and the work started so that the company could carry on at that time there was no question in his mind that the plant would have had to be shut down. I was informed by Mr. Kelly, the general manager, and by Sir Newton Moore, the president, that this action carried them over what had been probably the most acute time in the country's history. As a direct result they have got the business to which I have referred and expect other business which in all would be sufficient to keep the plant and the mines operating this sum-

mer. We may have been wrong in giving that guarantee, but I have given the reason.

In connection with the Algoma steel works a similar condition arose. Men were on relief, and the situation had become very acute. In that instance we guaranteed a rail order of 30,000 tons. Sault Ste. Marie depends to a great extent on the steel plants, and in January of this year Mr. W. C. Franz, apparently one of the receivers of the plant, wrote me as follows:

> Our rail mill started on the 30,000 ton unemployment order December 4, and has been operating on single term in order to distribute the work as much as possible. The order is about one-half rolled and will run to the first week in March.
>
> The operation of the roll mill on this unemployment order not only restored employment to roll mill employees but has enabled us to secure orders for other material to operate the two merchant mills through the winter. We now have approximately 1,600 men employed, and a payroll of $150,000 per month.
>
> During the last summer we had at Sault Ste. Marie over 1,500 families on relief, and this would have been increased materially this winter had it not been for the steel plant operation. As a result about one-half of these families have been taken off the relief list. We now hope to get some additional rail business on the completion of the present government order, and further reduce the number on relief between now and summer.
>
> I want to express to you our appreciation—

Probably I should not read this—

> —and that of our employees for the great assistance given us in placing these rail orders, which enabled us to start plant operation at a time when it seemed almost impossible to take care of the unemployed in this district during the winter months.
>
> Yours truly,
> W. C. Franz.

The total cost of these two guarantees to the federal treasury will be only the interest.

Mr. MACKENZIE KING: May I ask the minister this question: He pointed out that the rails which were manufactured as a result of the order given to Nova Scotia might not be required for another two or three years. I presume that if that is the case the additional order given to the Algoma company would make still longer the time before those rails could be used. I presume they are being paid for by the Canadian National Railways, and the government is guaranteeing the railway company. Is that not robbing Peter to pay Paul? Is that not letting the national railways in for greater liability, and is not the liability of the Canadian National one of the chief objects of the government's criticism?

Mr. GORDON: The Canadian National Railways will not be charged with these rails until they need them; when they need them they will pay for them. Whether or not it was a case of robbing Peter to pay Paul, I believe it was good business for both those places in Canada when those guarantees were made. That was my belief, and the belief of the government. If we are mistaken we will be judged upon our mistake.

Mr. MACKENZIE KING: The minister has said that the Canadian National Railways will pay for the rails when they want them. To whom do the rails now belong? Has the government been buying rails, storing them and will it sell them to the Canadian National Railways later? If not to whom do those rails belong? What is to become of them?

Mr. GORDON: The rails will of course stay at Sydney and Sault Ste. Marie until the railways want them.

Mr. MACKENZIE KING: To whom do they belong?

Mr. GORDON: In the meantime the rails were manufactured or rolled with the bank's money, and the loans made to the companies by the banks are guaranteed by the government.

Mr. MACKENZIE KING: I should like to know this: To whom do the rails belong —to the banks or to the government?

Mr. GORDON: They certainly will not belong to the government until they are paid for. The government merely guarantees advances.

Mr. MACKENZIE KING: This is a matter of interest in connection with banking operations. I believe the committee on banking will be interested to learn that the banks have gone into the business of manufacturing rails, according to what the minister is saying.

Mr. GORDON: It may be an interesting feature for the banking committee to investigate.

Mr. MACKENZIE KING: We are to understand the government does not own the rails, but the banks do. Do I gather that from the minister's statement? And the banks will not be paid for the rails until the Canadian National Railways order them, moreover that order may not be placed until two or three years hence. That is a curious position. "After me the deluge," would appear to be the principle on which the government have been acting.

Mr. GORDON: The time that may elapse before the Canadian National want them can perhaps only be determined in the mind of anybody by his outlook for the future. They may want them all this year; I do not know, but at any rate in the meantime the cost to the government is the interest on the loan.

Mr. EULER: I presume there must be some sort of contract or the company would not enter upon the rolling of these rails. The minister may not know the terms but there must be a contract between the Canadian National Railways, if you like, and the steel mills, and there must be something left to the discretion of the railway company as to delivery. There must be some termination to it. I can well understand why the banks would be asked to pay, and the government guarantee the banks, but again I say there must be some sort of contract under which the rails will be delivered at a specified period.

Mr. BRADETTE: On Monday night of this week there was a matter brought to the attention of this house by the hon. member for East Algoma (Mr. Nicholson) on which I must dwell at some length on this occasion. If it had been only a personal matter I would have let it rest, but the hon. member for East Algoma tried to put into my mouth words that I did not use, and he tried to make this house believe that I was either a radical or a pretty bad man anyway. I want to state here that I have no personal grudge whatever against the hon. member for East Algoma. I will say more, that I fully realize the difficulties and handicaps under which the big corporations are carrying on their activities industrially and otherwise in these times. I also realize what the hon. member has to put up with in connection with his contracts and lumbering activities. I wish to make it clear that the statement I made previously in the house had nothing whatever to do with the hon. member personally.

But the hon. member challenged me the other night when I stated that the letter I was reading was signed by Mr. Ellard Connolly, one of the strike leaders in the Chapleau section, and he said that Mr Connolly had never written the letter from which I was quoting. I have dozens of letters here from Mr. Ellard Connolly, all duly signed by Mr. Ellard Connolly himself, and I am going to read most of them so as to put clearly before the house the circumstances of the strike in Chapleau. The case was very clear indeed.

Further I want to say that this correspondence was sent to me absolutely unsolicited. I never knew that such a man existed as Mr. Ellard Connolly, and I do not know why he sent these letters to me, but after I had received from him the information contained in these letters I wrote and asked him if he would give me permission to use the information he had given me regarding the strike in the Chapleau section, and in a few moments I shall read his letter giving me that permission.

The hon. member for East Algoma also stated on Monday last there were no strikes in the Chapleau district. I am going to read to this committee a proclamation that was issued by the federal government towards the latter end of last January recognizing that there was a strike in that section of the country.

There was also the matter of an inquiry regarding the statements of Mr. O'Hara, one of the strike leaders in the Chapleau section, against the insanitary conditions existing in the Austin and Nicholson Company's camps. Since I made that statement on Monday last I have received information that a second inspection of these camps was made by the Ontario government and that a report was made that was absolutely unfavourable regarding the hygienic conditions of the camps at that time; but on the promise before the magistrate in Chapleau that the situation would be remedied the complaint was withdrawn. But that does not alter the fact that O'Hara was absolutely within his rights during the strike in bringing to the attention of the province and of the country some of the conditions that existed in the camps above mentioned.

I have no excuse to offer, Mr. Chairman, for taking up the time of the house with this matter because I believe that when the welfare of the bushmen and the labouring classes of this country is concerned it is time well spent by this house. I also believe in having the records straight, in having the books balanced. Again, I repeat, this is not a personal matter between the hon. member for East Algoma and myself, but it is a matter in respect to which I want the house and the country to be fully seized of the actual facts.

I shall now read the first letter that I received from Mr. Ellard Connolly. It is a very long one but I believe it is my duty to read the whole of it, more especially as the hon. member for East Algoma stated that

there was no strike in his district, and further because he stated that the letter from which I was quoting was not signed by Mr. Ellard Connolly.

Mr. NICHOLSON: Mr. Chairman, what I stated was that the letter was not written by Mr. Ellard Connolly, and that is capable of absolute proof.

Mr. BRADETTE: I have here, Mr. Chairman, the letter written in longhand by Mr. Ellard Connolly and signed by Mr. Ellard Connolly himself.

Mr. BURY: How do you know he wrote it?

Mr. BRADETTE: Because it is in the same handwriting as all these other letters.

Mr. BURY: That does not prove that it is Connolly's writing.

Mr. BRADETTE: The hon. member must give me credit for a certain amount of intelligence. I have at least fifty letters written and signed by this same man, and I am willing to place them before the committee and leave it to their judgment whether they were not written and signed by the same man. How many members of this government are writing their letters in longhand, or how many members of this house? Everyone gets his secretary to typewrite his correspondence, business and private, and then he signs the letters and becomes responsible for them. The principle is the same here. So I dispute the statement of my hon. friend from East Algoma that these letters have not actually been written and signed by Mr. Ellard Connolly himself. I shall now read the first one:

Chapleau, Ontario,
February 10, 1934.

Jos. A. Bradette, Esq., M.P.,
House of Commons,
Ottawa, Ontario.

Dear Sir,—

Your letter of the 9th was received to-day, for which I thank you sincerely and appreciate your kindly interest.

The strike, which is directly responsible for the peculiar position of the striking bushmen here took place on the fifteenth of January. It was due to the unrest and dissatisfaction of years, culminating in the extremely bad conditions this year. The principal points of contention were low wages, long hours and unsanitary living conditions.

The monthly wage rate on the limits of Austin and Nicholson was on a sliding scale of $15 to $26 per month so that a man never could find out his rate until he was being paid off, and then it was at the discretion of the foreman. Work by the month was difficult to obtain because it was an advantage to the lumber company to have the men cutting on a piecework basis. The price, per double cord of spruce pulp, varied from two dollars to three dollars, and again nothing was definite till the pay-off. The bush was exceedingly poor, for seven of the eight camps in operation on the Jack Pine river were working in old cuts, that had already been worked for three to five years previously. The bush was full of old jack pine slash and tops from previous log cutting operations and the men had to cut their way through this in order to clean out the spruce that was left. Very few spruce swamps remained that had not been cut through before. Only one new camp was in a fresh cut. The "cord" required was of oversize dimensions and measured 8 feet, 4 inches by 8 feet 4 inches by 4 feet 4 inches, and on the strips the cutter had to cut his own road ten to twelve feet wide. During the early part of the season the Department of Lands and Forests cut eighty cents per double cord off the timber dues, payable to the department by the company, for the express purpose of that eighty cents being passed on to the men in extra wages, but the men never received the eighty-cent increase, and therefore decided that the company kept the sum as found money. The most difficult sections of the bush were let out to sub-jobbers who erected miserable shacks and tried to grind a profit out of the hard-working pieceworkers by paying the wretched minimum wage.

The measuring and culling, according to which the men were paid, was done by the camp clerk though there were government scalers, Abitibi scalers and company scalers and check scalers in the camps. The men went out to their work in the dark of the morning and did not return to camp till the dusk of evening in a vain attempt to earn a living wage. In many of the camps the average walk to and from work was from one to three miles.

The food was comparatively abundant for the simple reason that even a steam boiler must be stoked with sufficient fuel to give pressure enough to do the job. It is the unwholesomeness of the food that is the chief complaint, for often the beans and potatoes are served sour, owing to being cooked over and over again. Another glaring example of the disregard for the men's stomachs is the fact that sugar was sent out to the bush for the noon lunch in an unwashed lye can as a container. All the grievances cannot be mentioned here but merely a few that are representative of the many.

Then comes the passage that I quoted in the house on Monday last regarding the deplorable conditions of the blankets issued to the men. The letter continues on page 5 as follows:

The law prescribes certain facilities for washing and drying of clothing. At Gray's camp the facilities provided consisted of two empty lard cans for heating of water and one washtub and washboard for over one hundred men, and the washing was done on the edge of the manure heap between the barn and the river. The men were not permitted to do washing in the camp, while the building constructed in lieu of a wash shack was converted into living quarters for the foreman and his wife.

Men arriving at Nicholson Siding to go into the camps slept over night in the bunkhouse there, which is under control of G. B. Nicholson, and required to sleep in dirty blankets there, invariably became infested with vermin and therefore carried vermin into the camps where, owing to the wooden construction of the bunks and unwashed blankets, conditions can only be described as terrible.

There were no dry rooms in the camps and as a result of wet shirts, socks and boots drying around the bunkhouse stoves at night, the breathing atmosphere was contaminated with steam and foul odour. The floors were not kept clean, no cuspidor of any type existed on the camp floors and the towelling was not sufficient nor kept in a sanitary condition. If only the existing sanitary laws were enforced all this could not be possible.

As a result of the foregoing genuine grievances a strike was organized with the assistance of some members of the Lumber Workers' Industrial Union of Canada who were working in the camps at the time. The majority of the men in the camps quit work of their own free will on January 15 and walked to the headquarters camp where they congregated and held the first strike meeting. At this meeting a strike committee and executive were democratically elected from members of the camps present to represent all the different types of work and nationalities. The committee in session appointed Davis and Berry,—

Mr. GORDON: Is Davis the man who travelled under the alias of Wacku?

Mr. BRADETTE: I think so although I do not know. That is the impression I gathered from the hon. member for East Algoma last Monday. I will discuss that man later on. The letter continues:

—two union men, as president and secretary and myself, not a union man at that time, as picket captain. In this committee were discussed the grievances of the men and a list of demands were drawn up. William Austin, a junior member of the firm of Austin and Nicholson was at the camp that day so he was immediately approached by a delegation of three of the workers in an attempt on our part for strike settlement. William Austin claimed to have authority to settle the affair in the interests of the company, so he was presented with a list of the grievances and demands, and time was allowed him for consideration. In this interval two provincial police arrived at the headquarters camp. G. B. Nicholson had been informed of the impending strike on the previous day and had immediately gone to Toronto to interview the Attorney General and General Williams and, according to reports, had been promised there enough provincial police, man for man if necessary, to counterbalance the strikers. About four o'clock on the afternoon of January 15, William Austin came into the main bunkhouse of the headquarters camp, together with two Ontario provincial police, and told the men that he could not meet their demands, said the wage scale would remain the same as on January 1 and as for shorter hours and better conditions he said he would do his best, conceding that board charges and price of van goods were too high. This was considered as no strike settlement, so the strikers were informed that they were fired and were asked to draw their time and leave the camps. The strikers decided then to make strike headquarters in Chapleau, where the only representative of law and order in the immediate unorganized district was stationed permanently, namely, the district provincial police officer, P. Boland. The strikers were advised by me, as picket captain, to conduct themselves as respectable citizens, to break none of the laws and to use no force in an attempt to have other workers join our cause, other than merely explaining the situation and asking them to join us. This has been the system of picketing to date, and as a result not one man, to my knowledge, has been arrested because of his strike activities. Approximately four hundred men came out on strike. Approximately one hundred remained in the camps as camp foremen, clerks, scalers, some teamsters and personal friends of the staff who were working in the camps.

In the thirty mile walk from the camps to the Canadian Pacific railroad at Nicholson Siding the men suffered hardship of cold and some walking through the night, but all arrived at the bunkhouse at the siding which was thrown open to us by the provincial police as shelter. The police were fair in assuming a neutral position and also made arrangements to have our baggage safely transferred from headquarters camp to Chapleau. On January 17 about three hundred strikers bought tickets and travelled by train to Chapleau while a number walked the 22 miles in order to save the 85 cents for food when arrived in Chapleau. Several men remained at Nicholson Siding as a picket guard to explain the situation to any strike breakers that might be shipped in, but these men were forced to leave the siding owing to Nicholson enforcing a "no trespassing" order.

In Chapleau the strikers shared their meagre funds with each other, as the majority of them were figured out "in the hole" by the camp clerks. Also assistance in the way of cash came in from affiliated union organizations in Sudbury, Port Arthur, Sault Ste. Marie, Timmins, Toronto, and other centres where bushmen, miners and industrial workers were in sympathy with our clean fight for a living wage, shorter hours and sanitary living conditions. In these centres the workers established picket lines to page the employment offices and notify anyone hiring for jobs with Austin and Nicholson of the strike conditions that existed here. The strike received publicity in all the chief newspapers in Sudbury, Ottawa, Toronto and other centres.

We sent a deputation to the town council of Chapleau to explain our position in the municipality, as an organized body of citizens coming in from the unorganized districts in the vicinity in order to arrange for settlement of an industrial dispute or strike. We explained that as an organized body we were in a position to care for ourselves, keep order among our members and respect the rights of the citizens of the municipality. The town fathers offered us their cooperation on behalf of Chapleau, and we arranged to get the use of the municipal hall for a meeting place on January 18 in order to get all the strikers together from all the camps for the first time, and discuss the situation and grievances in order to draw up

a formal list of demands to be presented to G. B. Nicholson, the president of the firm of Austin and Nicholson Company.

The meeting was held on the 18th under the direction of the strike committee, and the town council and the provincial police were invited to be present, which they were. The meeting was orderly and everyone had a hearing.

On January 19, as a result, the following list of demands were drawn up in printed form, with two copies:

I shall not read the whole list of demands because I believe the committee is aware of these. They have been published in most of the daily papers, particularly those published in Ontario. Any hon. member will see that the demands were practical and since this time most of them have been met. The letter continues on page 11 as follows:

17. Van goods to be sold at retail prices and bill to be issued at time of buying, and list of prices to be posted in office.

18. A balance statement to be issued at the end of every month and money if required.

19. All men should have full settlement at the camp which they work.

20. The Board of Health Act of Ontario pertaining to lumber camps must be strictly enforced. Law to be posted in camp.

21. Every man to get disinfected clean blankets on his arrival in camp.

22. Wash-house, bathroom, drying room to be erected immediately.

23. Single steel beds with mattress must replace wooden bunks.

24. Toilet soap and mirrors to be supplied.

25. Towels to be washed every day. One towel for every ten men.

26. Floors to be scrubbed twice a week.

27. These provisions to apply to all camps.

28. A transient camp to be built at Rehal's camp.

29. The men in camps must have rights to have camp committees, hold meetings, elect officers and see foreman regarding any disagreement.

30. No striker to be discriminated against on returning to camp.

This is the list of the demands made by the strikers in that particular section of the country but it is typical of the demands made in the remainder of northern Ontario and in Quebec. The letter continues:

This list of demands was handed to G. B. Nicholson on January 20 by myself together with two fellow strikers, Fred Wright and J. St. Micheal in the presence of two provincial police. Nicholson told us he would give us his reply via provincial police at two p.m. that afternoon. At three p.m. the strikers assembled in the hall and considered Nicholson's declaration. He said, according to script transferred by him, that the wages would remain as on January 1 and that his camps would continue to be run in a clean and satisfactory manner as had always been their practice, at least this was the gist of it. Needles to say the assembled strikers voted unanimously to reject Nicholson's proposal as a strike settlement, as we considered it an insult to our intelligence. We decided to carry on the strike.

Nicholson was furious and called a meeting (public) in the town hall on January 22 where he reviled the town council for assisting a "soviet led group of people," as such he slanderously referred to we strikers in breaking down his ultra-honest business, and made personal remarks which he was forced to retract later in the press. His meeting was not an orderly one and instead of gaining public sympathy, the tendency was to destroy what little he had previously. It was merely a publicity stunt for his own publication in the press.

At this time Nicholson was resorting to despicable methods to break our strike. Men were forced off relief in outside centres of Ontario and shipped to Nicholson, being told the strike was settled. One of these men, Albert Viauzin of Blind River, told me personally of these conditions. Also a number of men from Gracefield, in the province of Quebec, were shipped in as strikebreakers under a heavy guard of C.P.R. and provincial police. This, in my mind, is forced labour and synonymous with slavery, against which our ancestors fought and bled, and now it is here again in the year of 1934. The camps were filled by false pretences and force, and thereby our jobs were taken from us.

By January 24, our funds were depleted to such an extent that we were unable to buy sufficient food supplies to furnish the two feed camps, which we had established to feed our men en masse, two meals a day. As a result we made application to T. H. Wolfe, District Relief Officer, for relief in the matter of food, clothing and shelter, which we claimed to be entitled to, as respectable citizens of Ontario, who had helped to build up the relief funds from which we wished to draw. On January 25 we made formal application and declared destitute in a registration the number of 251 men. The wage scale notice which accompanies this letter was posted and some fifty-three men went back to the camp under the same old conditions, but this did not break the strike. On the 1st of February there appeared a notice in the "Chapleau Post" that we remaining strikers had been finally dismissed, and our names struck from the books of Austin and Nicholson, and that our places had been filled.

Up to this time relief had been refused by the district relief officer on the grounds that there were still our old jobs open to us in the camps. On February 5th outside union assistance failed entirely and we were faced with starvation, so once again we approached the relief officer and he informed us that he had written the department in Toronto stating that we were no longer in the vicinity and that was the information they had to go by in Toronto, but I was able to inform Mr. Wolfe that I had taken a precaution against this by sending the Hon. Charles McCrea, representative of Sudbury district, the information by telegram on February 2nd that two hundred men were still on strike in Chapleau, destitute and forced to seek relief owing to their jobs being taken by strikebreakers shipped in from Quebec and that they had my information in Toronto to counteract his. He had sent in his report without consulting us, the principals, and his report was erroneous so we asked him to send in a true report and obtain the relief

to which we were entitled and which, in the face of starvation, was so sorely needed. Mr. Wolfe's voice failed him so that he was unable to phone the proper authorities. The sergeant of the provincial police took up our case in conjunction with the mayor of Chapleau, and as a result we were able to secure enough emergency supplies to carry us till the next day. On the following day, February 6, Mr. Wolfe, the relief officer, was confined to bed and we were faced with a worse situation than before, for the relief officer could not be seen. Therefore I deemed it expedient to send the following telegram to Hon. Charles McCrea, to the Minister of Labour and also the Minister of Lands and Forests: "Bushmen still destitute in Chapleau. Situation critical. Relief formally applied for several days ago. No action. District Relief Officer T. H. Wolfe sick abed to-day. Who is responsible? Reply at once." The following reply came back from Dr. Robb, February 7, 1934: "Relief officer Mr. Wolfe will handle your situation."

On presenting this telegram to Mr. Wolfe at his bedside he stated that anything he might do would relieve the situation till the next morning only. He asked me to leave the town at once, and stated that if the strikers broke down the organization he would deal with them individually and have them come in to him one by one. My reply was that I had been elected by the men to present their case for relief on their behalf, and that our intentions were to remain organized for the mutual benefit of all concerned. Since then Mr. Wolfe has remained confined to the house, and the provincial police have been handling the relief situation and procuring supplies for us, quite to the satisfaction of all of us. Mayor Edwards, on being approached as to whether the relief officer had any authority to ask me to leave town, stated that Mr. Wolfe had no authority to make the request, and the town council said they appreciated the value of our organized efforts in preventing trouble and extended to me their hearty cooperation and the freedom of the town. The provincial police came in on this strike, prepared to fight, but remained to play, so to speak, and they also appreciate the value of organized unity. As citizens we recognize the rights of others and only expect that our similar rights be respected in turn. The Minister of Lands and Forests asked to be advised of the number of men who desired to go to board camps, so we held another meeting and took a census of 130 destitute strikers, who all wished to remain in Chapleau as a unit, to press their claim to the proper government authorities in Toronto and Ottawa for a full investigation into the present existing conditions in the lumber camps, and also investigate discrepancies in the expenditure of the taxpayers' money for relief in the unorganized districts in the vicinity of Chapleau. The men appointed me, by election, at the meeting, to present the case on their behalf to the proper official authorities. The following telegram was therefore sent to Mr. Finlayson, the Minister of Lands and Forests, in reply to his, February 7, 1934: "Your wire received. Mr. Wolfe states that anything he might do will relieve situation until to-morrow morning only. Approximately one hundred and thirty men destitute and willing to work for relief here until strike settled, but require immediate and impartial inquiry into industrial dispute here. The situation is extremely critical to-night. Wire advice." The same wire was also sent to the Minister of Labour, Toronto, on that day, February 7, when the affair was also laid before the federal Minister of Labour, as you have confirmed. Our meeting was no communist affair, as some people in town have been led to believe, for there were two or three provincial police present at the meeting who were quite prepared to handle any eventuality of that sort. We are a lumber workers' organization. Nicholson says that our funds are backed from Moscow but we haven't seen any "Moscow gold" as yet nor do we expect to require it.

G. B. Nicholson made the statement from the public platform on the occasion of his meeting here on January 22nd that his camps conformed to the relief standards as to sanitary conditions. That is one point to be settled before the investigation committee which we require here, as to whether Nicholson's camps are relief camps or lumber camps. If the operation of the Austin & Nicholson Lumber Company is being assisted from the relief funds of the province and dominion, well it is a scandalous misuse of the taxpayers' money which will precipitate one of the biggest investigations in the north country. The district sanitary inspector, D. S. McKee of Sudbury made an aeroplane trip into the camps in the company of G. B. Nicholson, on a tour of inspection, after the strikers had left the camps. Consequently there appeared in the press an account of McKee's report as to sanitary conditions in the camps. This report I brand as false and have endeavoured to have the Ottawa Citizen publish a letter in our defence, for we made no unjustified complaints as to existing sanitary conditions in the camps.

There are three very good reasons why this Chapleau strike should be a federal issue.

1. G. B. Nicholson represented the lumber men of Canada at the imperial conference in Ottawa last summer, and while there, I believe, a great fuss was made about Great Britain trading with countries that employed slave labour and had uncivilized living conditions. Well, this is the very mess which we have laid on Mr. Nicholson's doorstep here in Chapleau, and we are of the opinion that the cleaning-up should begin here at home.

2. The corrupt method of breaking our lawful strike, by bringing in strikebreakers from the province of Quebec, to take our jobs in Ontario, is surely an interprovincial affair, to be investigated best by the federal government.

3. As a direct result of the unscrupulous methods of strikebreaking used by Mr. Nicholson, we are forced to draw on relief funds which, in our case, I expect are 50 per cent federal and 50 per cent provincial, as we are from an unorganized district.

Those are the reasons, fairly put, why we require an industrial investigation, as provided already in the present session of parliament. The investigation should cover, in this Chapleau district, the lumber camps, sanitary conditions, workmen's compensation for bushmen, and the relief scandal that evidently exists here.

Our men intend to remain here as witnesses on their own behalf for the investigation.

The time is now opportune to draft a clean labour code for the north, and the north is worthy of it, for we are now on the threshhold

of unprecedented development of natural resources in this district, as the mineral possibilities here are being probed deeply these days.

The situation here requires an investigation committee that will be able to investigate anything from a member of parliament's collar to the Royal Bank. At any rate, it will disclose present graft and corruption which dissipates the taxpayers' sweat-earned contribution to civilization. It is only fair to our imperial trade relations that such an abject condition here should be wiped out, for Britain has ever been averse to slavery, especially in 1934, when we should be marching onward rather than reverting to customs of the dark ages.

As enclosures herewith are copy of Chapleau Post, Sudbury Star, and a section of "The Toronto Star," which contain articles pertaining to the affair here, also one of the wage posters put out by Nicholson.

Personally, I am a Canadian citizen of British pioneer stock, born, reared and schooled in Bromley township, Renfrew county till January 1, 1927, when I came to the unorganized districts in the vicinity of Chapleau, where I have made my living since as bushman, trackworker, sawmill hand, river driver, trapper and prospector. At present I am a property holder in Sudbury district, as I hold a number of mining claims in the Swayze gold area, near here.

Strikers here want only a living wage and civilized living conditions. It is not our fault that the strike is still on, as we have done everything in our power to reach a settlement long ago. We were forced to seek relief as our jobs were filled by outsiders.

Ellard Connolly.

I believe that the Minister of Labour as well as the hon. member for Muskoka-Ontario and the hon. members for the two Renfrews are familiar with the subject matter of this correspondence. On February 5, 1934, I received the following letter from Mr. Connolly, signed by himself:

You are quite at liberty to read any letters or documents which I may send you to any person whom you may desire, and make all possible use of them to your benefit, and have particular request to read the letter mentioned, to the House of Commons.

That will cover the matter so far as that letter is concerned. I have under my hand several other letters dealing with the situation and copies of letters sent to either the Minister of Labour at Ottawa or to the Minister of Lands and Forests at Toronto, or to some members of parliament. I also have some pay-roll lists showing the small amount received by some men after days and sometimes after months of work in certain camps. It is not my intention to read these documents to the house. I have also a copy of a letter sent to the hon. member for Muskoka-Ontario (Mr. McGibbon).

As to the statement made by the hon. member for East Algoma the other day that there was no strike in his district, the Chapleau section, I have in my hand a document emanating from the federal Department of Labour under date of January 19, 1934, and reading:

Re reported strike or lockout of pulpwood cutters employed by sub-jobbers on logging contracts for the firm of Austin-Nicholson, Chapleau district, Ont., commenced on or about January 15, 1934.

This statement was made by the Department of Labour on January 19, only four days after the strike had started in the Chapleau section, so that the statement made the other night by the hon. member cannot stand after the committee has taken cognizance of this document.

In a letter dated March 3, the same Mr. Connolly has this to say about the strikes.

Mr. GORDON: I would like to ask the hon. member who Mr. Connolly is.

Mr. BRADETTE: He is one of the strike leaders in the Chapleau section. He is still at Chapleau leading the strikers who remain there.

Mr. GORDON: I do not want to curtail the spreading on the record of any useful information, but I would like to suggest very respectfully to the hon. member that I am desirous if at all possible that this legislation go through before adjournment for the Easter recess. The seriousness of the situation I shall not dwell upon because I think it is well recognized by all hon. members. If there is any other time during the course of any debate that may arise on some other topic during this session of parliament, I would suggest, with great respect and with a good deal of diffidence, to the hon. member that he might postpone reading this letter until then; the Labour estimates are not through the house yet and it might be done at that time.

Mr. MACKENZIE KING: The minister says that he would like to have this legislation go through before we adjourn for the Easter recess. I understood the Speaker to say that the deputy of the Governor General would arrive at five o'clock to assent to such legislation as was in readiness. It is now five minutes to five o'clock so that it is obviously quite impossible for this legislation to be assented to then. May I point out to the minister that so far as this side of the house is concerned there has been no delaying of the progress of the legislation; as a matter of fact we have been seeking to expedite it?

As regards what the minister said about the legislation going through before the Easter recess, I should like to point out that on two

previous occasions relief measures expired some weeks before the new legislation came into force and the government, nothwithstanding that fact, found it possible to meet any obligations that arose. I would assume they would have the same power at the present moment, so there should be no reason why anyone should be embarrassed through a delay for which the opposition has certainly not been responsible. I have in my hand, for example, a memorandum which relates to the Unemployment and Farm Relief Act, 1931, passed in the session of 1931. That act expired on March 1, 1932, and the relief legislation that followed did not receive the royal assent until April 4. As a matter of fact, the government introduced the resolution to renew this legislation under the title of The Unemployment and Farm Relief Continuance Act, 1932, on February 26, 1932. Nothing further was done until March, although the previous act expired on March 1. The following is the memorandum with regard to the dates:

	1932
Consideration of resolution in committee deferred to..	March 8
(Resolution debated March 8, 9, 10, 11, 15, 16, 17, 18, 21, 22, 23.)	
(House of Commons adjourned for Easter..	March 23)
(House of Commons reassembled..	March 29)
Resolution adopted in committee, reported, read second time, and concurred in—under closure.. ..	March 29
First reading, Unemployment and Farm Relief Continuance Act, 1932..	March 29
Second reading..	March 30
(Considered in committee of whole, March 30, 31.)	
Third reading..	April 1
Royal Assent..	April 4

So that over a month elapsed between the expiry of the Unemployment and Farm Relief Act, 1931, and royal assent of the Unemployment and Farm Relief Continuance Act, 1932.

In regard to the Unemployment and Farm Relief Continuance Act, 1932, that expired on May 1, 1932, but it was not until May 13, that royal assent was given to the legislation making provision for relief subsequently to the expiration of that act. May I just give the record there?

	1932
Introduction of resolution to renew legislation (under title "Relief Act, 1932")..	April 26
(Resolution debated in committee April 28, May 3.)	
Resolution adopted in committee, reported, read second time, and concurred in..	May 4
First reading, Relief Act, 1932.. ..	May 4
Second reading..	May 9
(Considered in committee of the whole, May 9, 11.)	
Third reading..	May 12
Royal assent..	May 13

Therefore thirteen days elapsed between the expiry of the Unemployment and Farm Relief Continuance Act, 1932, and royal assent of the Relief Act, 1932. The minister must not try to have the committee believe that any interest in regard to the unemployed is going to be prejudiced as a result of the delay over the Easter recess, and certainly if such were to be the case the minister would be wholly responsible for not having introduced the legislation until Thursday of last week, expecting it to be passed without any discussion whatever. I repeat that it is at five o'clock that the deputy of the Governor General is to come to parliament.

Mr. GORDON: I do not want to appear to be trying to place blame or anything of that character upon the opposition or upon any hon. member; I make just the plain statement that on March 31 any right that this government has to continue relief or, rather, to supplement the efforts of those primarily responsible for relief, ceases; and if there is a hiatus, it will result in at least a good deal of confusion.

Mr. MACKENZIE KING: I make the same statement now which I made on Thursday night, that such would be the case and notwithstanding the fact that I made that statement then, the ministry have gone on with other measures in the interval; they have not given the relief measure the right of way. They introduced supplementary estimates. The Prime Minister brought in the marketing legislation and we had a discussion on that. There have also been several other discussions. If the ministry were seeking to avoid any embarrassment, certainly those other measures should not have been permitted to interfere in view of the statement I made pointing out to the house just what the minister is admitting now, so the responsibility for any delay rests wholly and solely upon the minister and the government. Certainly, when the government have had from the time parliament assembled until this moment to deal with this matter, it is very singular that they should have introduced the legislation only on Thursday last. If the minister will look at Hansard he will see that the Prime Minister took good care to put on his shoulders the blame for the legislation not being proceeded with a week or two sooner than it was. I was rather surprised when I read the statement that it was made so obvious that it was because the minister was not in his seat we could not go on with the measure. When the minister seeks to have it appear that

somebody else is responsible for the delay, the statement of the Prime Minister should be brought to his attention.

Mr. GORDON: I should like to make just a short statement, and to repeat that so far as the right to grant relief or to help the provinces is concerned that right expires on March 31. I believe that measures have been put through in other countries, much more comprehensive than this measure is so far as their effect on the treasury was concerned, in the space of an hour or two. I am frank to confess that I think ample time has been given for any necessary discussion of this bill since its introduction.

Mr. MACKENZIE KING: There has been very little time given; as a matter of fact the minister has not given us the information for which we asked in connection with many matters. The minister knows that when the legislation leaves this house it has to pass the Senate, and the Senate has finished its business for this term.

Mr. GORDON: The Senate has been sitting this afternoon, awaiting this bill.

Mr. MACKENZIE KING: According to the announcement made this afternoon the deputy of the Governor General was to give the royal assent at five o'clock, and when the deputy arrives to give the consent the business of the Senate is concluded. This measure is not through the committee stage as yet. Third reading can be granted only by unanimous consent of the house, and certainly we do not propose to allow this measure to be rushed through without the information being given that will enable us to say whether or not the legislation should go through. We have some very important amendments to move to this legislation both in committee and on the third reading, and certainly we are not going to be denied that privilege because of any effort the minister may make to stampede the committee.

Mr. GORDON: There is nothing further from my mind than the belief that by any act or word of mine I could stampede this committee into any hurried action on anything. In regard to this legislation and the legislation passed last year, the government must table each day the orders in council passed thereunder. Each act reflected by an order in council under the legislation of last year was laid on the table of the house for the information of hon. members, as the records will show. While parliament was not sitting those orders in council were synopsized and published in the Canada Gazette. It is quite possible that there are other matters upon which argument and comment might very properly be made, but the information asked for since the introduction of this bill was contained, I think in its entirety, in the orders in council which have been either published in the Canada Gazette in a synopsized form or laid upon the table of the house daily for the information of the members.

Mr. MACKENZIE KING: I should like to add to what I have just said that this long delay in introducing this measure this session, resulting in the legislation coming up just before an adjournment of parliament, is part of a deliberate policy on the part of the administration to put off at every session until the last moment any discussion with reference to labour matters. It was the same at the special session of 1930; very little time was given for the discussion of labour matters and all the time was taken up with questions of the tariff and national revenue. In the 1931 session the legislation was brought down in the very closing days of the session. It was the same during the following session; if one looks at the records I cited the other night it will be found that the deliberate attempt of the government with respect to this question of unemployment has been to delay until the last moment and then to try to crowd the legislation through because of some adjournment or because of prorogation. I think the minister will find that in 1934 he can do all that he did in 1932, with respect to these matters, notwithstanding that an adjournment may intervene. I think he will find himself able to do all that is necessary in the matter of meeting the situation.

Mr. GORDON: Would the right hon. gentleman suggest that the government could go ahead and authorize the expenditure of public money without statutory authority?

Mr. MACKENZIE KING: I am not making any suggestions whatever; I am citing what the ministry have done before and what they know they are in a position to do to-day. They have their majority; I suppose they are going to stand or fall by this legislation, and I think they know what are their powers in this regard. The minister stated that he had supplied all the information that was requested. A few moments ago I asked him to give us the total of the guarantees given the banks by the government under these relief measures. We have not been given that information as yet. The minister started to talk about the coal mines of Nova Scotia; then he jumped to the Algoma Steel Corporation, and he has been taking up the time of the committee himself.

Mr. GORDON: I gave to the committee the amount of the guarantee in each case, with the exception of the figures in regard to wheat, which are not determinable by me. It is a simple matter of arithmetic, a sum as they used to call it when I was in public school, to total those figures. However, I have added them up for the right hon. gentleman. The guarantees amount to $96,552,462.87. The loans to the provinces, including $2,000,000 to the Canadian Pacific Railway Company, total $52,927,267, making a grand total of $149,479,730.34.

Mr. MACKENZIE KING: To which, in estimating liabilities and expenditures, there shoud be added the $110,000,000 that has been actually disbursed in cash under the relief measures?

Mr. GORDON: Quite.

Mr. MACKENZIE KING: May I ask the minister if the total of the guarantees he has given includes the guarantees given the banks in connection with wheat?

Mr. GORDON: No; I made that plain, I thought. It does not include the guarantees given in connection with wheat.

Mr. NICHOLSON: Mr. Chairman—

Mr. BRADETTE: Mr. Chairman, on a point of order—

The CHAIRMAN (Mr. Gagnon): The hon. member for East Algoma has the floor.

Mr. BRADETTE: I had the floor when I was interrupted by the Minister of Labour.

The CHAIRMAN (Mr. Gagnon): The Minister of Labour was followed by the right hon. leader of the opposition, and I first saw the hon. member for East Algoma.

Mr. BRADETTE: I had the floor when I was interrupted by the Minister of Labour, so when I sat down I did not lose my position in respect to the hon. gentleman.

The CHAIRMAN (Mr. Gagnon): The hon. member has not lost his right to speak again after the hon. member for East Algoma has concluded.

Mr. VALLANCE: Surely, Mr. Chairman, you are not ruling that if the hon. member who has the floor sits down in courtesy to the minister, he thereby loses his right to continue his remarks.

The CHAIRMAN (Mr. Gagnon): The hon. gentleman had the right to refuse to be interrupted by the minister, but he permitted the minister to interrupt him. He does not lose his right to speak after the hon. member for East Algoma has concluded.

Mr. BRADETTE: Surely the committee will not tolerate such a ruling by the chairman. I had the floor and I resumed my seat out of courtesy to the minister.

Some hon. MEMBERS: Order.

Mr. BRADETTE: Who is calling order? Who is asking me to sit down? I should like to see any man come and make me sit down. Out of respect to the minister I sat down when the hon. gentleman addressed a question to me, and that was the only reason I sat down. Otherwise I should have continued my remarks. Surely a member should not lose precedence simply because he is respectful to a minister or to any other hon. member.

Mr. BROWN: If this ruling is sustained, Mr. Chairman, the question will arise as to whether we should treat a minister with any respect whatever. If a member sits down out of courtesy to a minister he should not lose his place.

Mr. RHODES: I do not think there is any need of any untoward incident arising at the moment. As a matter of fact I have no doubt the chairman was under the impression that I was under also, that my hon. friend from North Timiskaming had concluded his remarks for the moment. Inasmuch as my hon. friend has said that he had not concluded his remarks but that he yielded his place and sat down in order to permit the minister to ask him a question, I should think he would have a perfect right to continue for the remainder of his forty minutes. I think there is no doubt about that, and I am sure this whole difficulty has arisen due to a misapprehension on the part of the chairman, and on my own part as well. I think perhaps the simplest course to pursue is to accept the statement of the hon. member for North Timiskaming, and to allow him to conclude his remarks within the forty minute limit.

Mr. NICHOLSON: I am perfectly satisfied to give place to the hon. member for North Timiskaming, on the understanding that he completes his original forty minutes, but does not begin on another.

Mr. BRADETTE: If that is the dictum of the hon. member for East Algoma I shall accept it gracefully. I appreciate the opportunity of completing my remarks, and shall say only a few words more.

As has been said, on the estimates for the Department of Labour a further opportunity will be afforded to discuss this matter. I should like to mention one paragraph in a letter from Mr. Connolly dated March 3,

1934, and shall reserve my right to speak again when the estimates for the Department of Labour are under consideration. Speaking about the radical element leading the strike, Mr. Connolly states:

The bushmen were merely assisted by the Lumber Workers Industrial Union in organizing the strike and that union also helped to feed the strikers until February 5, when we went on government relief, and the union then lost any control or respect which they may have had up till that time. To illustrate this may I state that immediately after we were successful in obtaining government relief the district office of the union in Sudbury endeavoured, through their organizer Jim Davis here, to call off the strike and organize a retreat. As Davis had no control over the strikers here—

The name of Jim Davis was mentioned by the hon. member for East Algoma.—

—we told him that the strike was ours and we intended to carry on, as we did not come here to do any retreating and we therefore intended to remain on strike till we had obtained a settlement suitable to ourselves.

That is all I wish to say now. Again I wish to express my appreciation for the courtesy extended to me by the Minister of Finance and by the Minister of Labour. I shall speak again when they are considering the estimates of the Department of Labour.

Mr. NICHOLSON: It is a matter of regret to me, and I apologize to the committee for being forced to do so, to refer to a matter in which my name has been used so frequently. But as the hon. member for North Timiskaming has constituted himself parliamentary representative of the Canadian Labour Defence League, and—

Mr. BRADETTE: I rise to a question of privilege. I did not mention the labour defence league while I was on my feet. Not a single word about that organization was mentioned in my speeches either previously or at the present time. I resent the imputation made by the hon. member.

Mr. NICHOLSON: My reason for making the statement is that the labour defence league, operating under a variety of names, are the people behind the difficulties in the lumber operations in northern Ontario. This is a statement which is capable of proof. Speaking on March 12 the hon. member for North Timiskaming made a very radical and drastic statement with regard to conditions in the lumber camps. He told the house that he knew the conditions from his own knowledge, and that he had visited the camps.

Mr. BRADETTE: I never said I had visited the camps at Chapleau.

[Mr. Bradette.]

Mr. SPOTTON: You are always talking.

Mr. NICHOLSON: May I repeat that in almost two columns of pages 1415 and 1416 of Hansard the hon. member referred to the Chapleau strike, as he called it. Because on two or three occasions the hon. member has denied his statements, and particularly the statement that he had visited the camps I shall take this opportunity to quote his words as they appear in Hansard. To begin with, he said:

With reference to the minister's allusions on February 26, to the effect that some of the leaders in the Chapleau strike were radicals. . . .

And so on. Later he stated:

. . . . these lumbering camps in northern Ontario. Talk of sweatshops and of people being underpaid.

Then, at the bottom of the second column of page 1415 he made this statement:

Some hon. members may object,—

That was in reference to the reading of a nineteen page letter.

—but these men have been suffering. They do not know just where to find a solution for their problem. It is stated in this letter that certain camps are absolutely filthy and not fit for human habitation.

Then, referring to himself, the hon. member said:

I know that no hon. member would live in them for even half a day.

How does he know?

Mr. BRADETTE: By the letter; the hon. member just mentioned it.

Mr. NICHOLSON: The hon. member knows it of his own knowledge, because of these letters. Then he continued all down the column in his references to the conditions at Chapleau.

THE ROYAL ASSENT

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

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

Accordingly, the house went up to the Senate.

And having returned,

Mr. SPEAKER informed the house that the deputy of His Excellency the Governor General had been pleased to give in His Majesty's name the royal assent to the following bills:

An Act to amend The Fisheries Act, 1932.

An Act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.

An Act respecting the appointment of Auditors for National Railways.

An Act to amend the Technical Education Act.

An Act to ratify and confirm the agreement respecting the joint use by the Canadian Pacific Railway Company of certain tracks and premises of His Majesty at Saint John, N.B.

An Act to ratify and confirm an agreement made between The Canadian Northern Ontario Railway Company and The Campbellford, Lake Ontario and Western Railway Company.

An Act to amend the Royal Canadian Mounted Police Act.

An Act respecting the Buffalo and Fort Erie Public Bridge Company.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1934.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1935.

UNEMPLOYMENT AND FARM RELIEF

The house resumed consideration in committee of Bill No. 42, respecting relief measures.—Mr. Gordon.—Mr. Gobeil in the chair.

On section 2—Agreements with provinces.

Mr. NICHOLSON: Just before hon. members were summoned to the senate I was referring to the statements which had been made on March 12 by the hon. member for North Timiskaming (Mr. Bradette). I had pointed out that in his statement which covers two columns of Hansard on pages 1415 and 1416 the hon. member had discussed nothing else but the strike in the Chapleau district. He denies that he had visited these camps, but I should like to quote his remarks as follows:

> Last fall I visited some of these lumbering camps. I found some of them to be all right but others were not. In certain camps a human being should not be allowed to live much less to sleep. There seemed to be no attempt at cleanliness, in fact, filthiness seemed to reign supreme. These camps I refer to are not in my riding—

I should like to ask the hon. member what camps are there in northern Ontario at which labour troubles have occurred this year except those in his own riding? There is no camp in northern Ontario at which labour troubles have occurred except the camps in the Chapleau area and perhaps some at the head of the lakes.

Mr. BRADETTE: Mr. Chairman, I rise to a question of personal privilege. My statement which appears in the last paragraph of the first column of page 1416 of Hansard reads:

> Last fall I visited some of these lumbering camps.

At that time the strikes were wholly in my riding and in northern Quebec, there was no strike in the Chapleau district. The hon. member is not right in trying to infer that I visited camps in his section.

Mr. NICHOLSON: The hon. member was speaking on March 12 and he was referring to these camps in the Chapleau area.

Mr. BRADETTE: Mr. Chairman, on a question of personal privilege; the hon. member is not going to put words in my mouth which I did not say. I said that last fall there was no strike in the Chapleau district.

Mr. NICHOLSON: If the hon. member would only listen for a moment; I am referring to what he said on March 12.

Mr. BRADETTE: So am I.

Mr. NICHOLSON: I am referring to the statement which commences in the second column of page 1415 of Hansard and continues to the bottom of the first column on page 1416. The hon. member was referring to the Chapleau area from beginning to end of his remarks and he stated he had visited these camps.

Mr. BRADETTE: Mr. Chairman, again on a question of personal privilege. The hon. member is not going to put anything over on me. I stated that last fall the strikes were in my own section and in northern Quebec, while the new strike took place in the month of January. Is January in the fall or winter? Surely the hon. member has enough intelligence to know the difference between the two seasons.

Mr. NICHOLSON: I challenge the hon. member to show me one word in Hansard of March 12 which refers to a strike in a district other than Chapleau.

Mr. BRADETTE: I mentioned strikes—

Some hon. MEMBERS: Order.

Mr. BOUCHARD: He challenged him.

Mr. NICHOLSON: I challenge the hon. member—

Mr. BRADETTE: On a question of personal privilege; I stated in the last paragraph of the first column of page 1416 that last fall—

The CHAIRMAN (Mr. Gobeil): I cannot see any question of personal privilege.

Mr. BRADETTE: Certainly there is.

Mr. BOUCHARD: He was challenged to answer.

Mr. BRADETTE: The hon. member is trying to put words in my mouth and insinuate that I am wrong.

The CHAIRMAN (Mr. Gobeil): The hon. member is quoting Hansard.

Mr. BRADETTE: He is quoting it his own way and not in the proper manner.

The CHAIRMAN (Mr. Gobeil): The hon. member should wait until the hon. member for East Algoma is finished before giving his answer.

Mr. NICHOLSON: I am not going to waste any more time. As I stated on Monday evening, I will give the hon. member the benefit of the doubt. At that time I stated he was doing one of two things, he was making a statement about something as to which he knew absolutely nothing or he was deliberately misrepresenting facts. I will give the hon. member the benefit of the doubt and say that in his loose-lipped manner he is talking about things as to which he knows nothing.

Some hon. MEMBERS: Order.

Mr. BRADETTE: I want those words withdrawn by the hon. member.

Mr. NICHOLSON: Now, sir,—

Mr. BRADETTE: On a question of personal privilege; I want those words withdrawn. I can speak just as nicely as can my hon. friend and I want him to withdraw those words.

Mr. NICHOLSON: Let me go on—

Mr. BOUCHARD: Withdraw.

Mr. BRADETTE: The hon. member must withdraw those words.

Mr. NICHOLSON: I will withdraw anything to satisfy the constituted or self-constituted representative of the Canadian Labour Defence League and the Workers' Unity League in northern Ontario.

Mr. BRADETTE: I want the hon. member to withdraw that. I am not the self-constituted representative of the Canadian Labour Defence League of Canada; I am the constituted representative of the people in the riding of North Timiskaming. I want the hon. member to withdraw that statement. He has no right to insinuate that I am the representative of an organization of which I know absolutely nothing, either directly or indirectly.

Mr. NICHOLSON: The hon. member is willing to take up the time of this committee in reading documents written by the paid representatives of the Canadian Labour Defence League.

Mr. BRADETTE: Mr. Chairman, the hon. member will have to withdraw those utterances.

Mr. NICHOLSON: Mr. Chairman, I understood that I had the floor and I am not going to allow the hon. member to prevent me from speaking.

Mr. BRADETTE: I am speaking to a question of personal privilege.

Mr. RHODES: The hon. member for North Timiskaming (Mr. Bradette) should realize that there are other members of the committee besides himself. This should not be a duel or vendetta between himself and the hon. member. The hon. member for East Algoma (Mr. Nicholson) has the floor. The hon. member for North Timiskaming took the better part of half an hour to make his remarks and he was not interrupted by the hon. member for East Algoma. Surely he can wait his turn to make a reply and not rise up every half second on a question of personal privilege which may or may not be a question of personal privilege. We never could proceed with the work of the committee if we adopted such debate rules as these. I will admit that the hon. member for East Algoma would have better left unsaid some of the things which he has said and that on occasion it might be quite proper for the hon. member to rise to a question of personal privilege, but he should not keep jumping up and down like a jack-in-the-box simply because he does not agree with the interpretation placed upon his remarks by the hon. member for East Algoma. He will have a full opportunity to make a reply.

Mr. BRADETTE: I always appreciate the judgment of the Minister of Finance (Mr. Rhodes) but surely I do not have to stand for an hon. member stating that I am the self-constituted representative of the Canadian Labour Defence League. That is not a fair statement.

The CHAIRMAN (Mr. Gobeil): The hon. member for East Algoma has the floor.

Mr. NICHOLSON: I will again give the hon. member the benefit of the doubt and say

that if he is not the constituted representative of the Canadian Labour Defence League and the Workers' Unity League in northern Ontario, he has used the time of this committee to read documents which were handed or sent to him by the paid agents of those associations.

Mr. NEILL: I heard the hon. member himself read one the other day; he read one from the Unity league, from a man named Davis.

Mr. NICHOLSON: I may read one to-day and when I do I will tell the committee just who Davis is. However, having failed in the impression which he has tried to convey to this house and to the country at large—and the newspapers commented on the fact that the hon. member for North Timiskaming had been in the camps in the Chapleau area, and I have read Hansard myself—what does the hon. gentleman do? He reads a series of documents written by a paid agent of the labour defence league, which operates under divers names in northern Ontario, these documents bearing the name of a man named Connolly whom I have known for years. His signature appears on these documents, or is authorized to appear thereon, and this man Connolly boasts openly that he is being paid $4 a day with expenses for doing the work he is now engaged in. I can prove that he so boasts. When his fellow workers were going back to the woods, after having been brought out under false pretences by six communists who went to get them, Connolly stated to his fellow workers, "Why should I worry? Why should I go back to the woods when I am getting $4 a day for what I am doing?" If my hon. friend will go to the bottom of this matter he will find that it is just these communist organizations that are endeavouring to ensnare and entrap honest Canadian workmen. I will say frankly that Connolly was an honest working man, a good type of Canadian citizen without question, as are all the other men working there; but the fact is that they have allowed themselves to be led into this trap.

Let me mention one other matter to which my hon. friend refers. The letter which he read made the statement that Nicholson was a member of the lumbermen's committee at the Ottawa conference. Well, I admit the accusation; I was a member of that committee, it having been my honour to have been selected as chairman. And let me say to you, Mr. Chairman, that it was because of the effort made by that committee, and the success it achieved, with the support of this government, in getting Canadian lumber into the United Kingdom market that this attack is made on the industry not only in northern Ontario but as well in northwestern Quebec.

There has been organized in northern Ontario a group of Canadians, honest, earnest Canadian citizens of all nationalities, known as the Canadian Bushmen's Union. They are registered under the Trade Unions Act. In this regard, I wish to repeat what I said on a previous occasion. So far as I am concerned, I will do everything which it is humanly possible for any man to do, and to-day I am actively engaged, with other Canadian lumbermen, in an effort to bring about a condition whereby woodsmen operating in the Canadian provinces will be drawn together in a regularly constituted body of organized labour in which collective bargaining will be possible. It is not possible under present circumstances, and if my hon. friend will only survey conditions in his own riding he will realize that fact. Now what do these bushmen say? Writing to the Minister of Labour they make this statement:

> Press dispatches state that you informed the House of Commons on Friday last, the strike at Chapleau, Ontario, had been organized by the Canadian Labour Defence League according to information in your department. Another dispatch from Toronto quotes Rev. A. E. Smith as stating you were in error in making this claim. Rev. Smith claims that: "The league had nothing to do with that strike except to defend those who may be arrested."

Well, the defence of one arrested was not successful because he is back in gaol, out of which he broke in order to participate in these labour difficulties. The letter goes on:

> This organization, the Canadian Bushmen's Union, registered under the Trade Unions Act, wishes to emphatically endorse the statement you made.
>
> As the result of intense communistic activities in the timber industry, and the endless upheavals causing heavy losses to the workers as well as subjecting them to constant agitation, the Canadian-minded workers determined to organize on the same basis as other Canadian labour unions. Close to six hundred men have joined the movement, which started the latter part of December.
>
> We have plenty of evidence that the Canadian Labour Defence League is part and parcel of the general communistic move in Canada,—

Everyone who has endeavoured to ascertain the facts knows this to be true.

> —which includes eighteen or more organizations. I have just received information that if the Conviction of Rev. Smith should result in the C.L.D.L. being outlawed, that the United Labour Farmers' Temple Association will immediately take over the activities of the C.L.D.L.

And so on. This organization makes other statements. It has been checking up on the labour defence league all through.

Over a period of years the timber and other basic industries and their labour have been harassed and penalized by the intolerant boorish and fanatical agitation of foreign semi-political organizations. And all business, and labour dependent more or less on the industries affected, have suffered severe losses.

They realize that by reason of the fact that the labour difficulty in the Port Arthur district compelled pulpwood purchasers for the United States to go elsewhere for their products, between fifteen hundred and two thousand men were idle in that district this winter—men who otherwise would have been at work. The whole thing is a carefully planned scheme to prevent the forest products industry from continuing in successful operation in Canada. That is the whole point.

There are one or two other matters which I would refer to. My hon. friend, in reading from that letter which we have heard, took responsibility for it, and the letter stated that the operations in the Chapleau area were being assisted by relief funds. Let me say, Mr. Chairman, that that statement is subject to one of two interpretations: Either it is a statement made without any knowledge whatever of the facts, or there was deliberate intention to mislead this committee and this country. No such thing has ever existed. The same applies to what I referred to on Monday night with regard to reduction on crown dues. No reduction was made on crown dues after these lumber difficulties occurred. It was agreed last year with the operators, the pulpwood companies and everyone else in New Brunswick, Nova Scotia, the provinces of Quebec, Ontario and British Columbia that as a means of getting men back into the woods a reduction would be made in crown dues and stumpage. Every contract that was made either for logs or for pulpwood was based on that understanding, the increment arising from the reduction in dues being payable to the contracting firm or company, and the contractor having nothing to do with it. The question of wages was not included.

My hon. friend poses as an advocate of fair play and decent wages for woodsmen. He made the statement, in reading, that wages in these camps were from $15 to $26 per month. I say to this committee that the minimum wage paid in any one of these camps was $26 per month and up. The system of piece work has been followed in the lumbering industry of this country ever since I have known anything about it, because the men want piece work; they want an opportunity of working when they are in the woods and of deriving the advantage arising therefrom. I can say that there are men who are earning $100 a month and board on piece work.

My hon. friend makes another statement. He says that G. B. Nicholson went to Toronto, when this difficulty occurred, to interview the attorney general and the head of the provincial police. I say to him again that that is another statement either based on lack of knowledge or made with intent to deceive. G. B. Nicholson did nothing of the kind. He was in Toronto on a business trip when he received the telegram that some of the men were coming out of the woods. As I stated on Monday night, he immediately returned to his office in Chapleau and went into the woods to see what the difficulty was. My hon. friend stated that 400 men came out of those camps. I state to him now that 400 men did not come out of the camps. There were 561 men in the eight camps affected and 228 came out, leaving 333 in the camps.

The statement is again made that men were put into those camps under a heavy police guard. As occurs in every case in this province, in Iroquois Falls, Cochrane, Smooth Rock Falls and Kapuskasing, as soon as trouble develops wherever it may happen, the authorities take the precaution, on the request of the local police, to get some men in to see that peace is maintained. That is all there is to that. The men went through of their own volition; they were going all the time. Let me repeat what I said before: This trouble did not begin in January; it was not a strike in any sense whatever; it was just a continuation of men being agitated, disturbed and persuaded on a variety of pleas to leave their employment.

As regards the men who caused the trouble, my hon. friend says that they were not communists. Well, they demonstrated the fact that they were not very honest men in the first instance by going to an employment agent and hiring as pulpwood cutters, whereas not one of them, as they admitted, had ever cut a stick in his life before. Six of them hired under these names: McMaster, Riley, alias Davis, alias Dacko, operating on the Transcontinental line in the Kapuskasing district under the last name; Doyle, alias Berry—and both of them ex-convicts sent there by the people financing Vapaus, the communist organ in the city of Sudbury—Menekin and Makela.

My hon. friend says that employees of Austin-Nicholson or Brownlee presented a demand for a change in conditions and an increase in wages. No employee of Austin-

Nicholson ever presented a demand or a request for any changed conditions whatever until exactly one week from the day the men were induced to come out at Chapleau, three of them, Wright, Connolly and St. Michel, came to see me. I saw them, talked with them and stated exactly what we would do; I said: "There are the conditions; if you want to work, you are quite welcome." We kept the offer open for three long weeks and the 128 of the 228, leaving 100 all told—and a large number of them had gone to their homes in the meantime—went back to their work inside of ten days, glad to get the opportunity. They came to my house on the Monday evening, asking me how they could get on the train and out to their work without being molested by this communist organization. I undertook to look after them and they went back to work.

My hon. friend says that these men were destitute. Let me tell the committee exactly how destitute they were. Of the 228 that came out, 142 took settlements from the clerks in the camps and there was distributed amongst them in cash the sum of $6,000 odd for the time that they had worked in the woods. Forty of them never went near the camps before they came out. They were advised by Messrs. Davis, Dacko, etcetera, etcetera: Do not take your time; just leave what is coming to you there, and they walked out, some of them leaving their clothes behind them, under a promise that they would be paid $5 a day if they remained out in order to do what? Just as Mr. Berry, who is now in gaol, stated publicly in the town of Chapleau, their purpose was to destroy this industry and to make it impossible to carry it on.

It is approaching six o'clock. I do not know that I can add anything else except to say that as regards the men who came out, leaving their time behind them, there was still $3,000 due to them which was sent to them just as soon as we were able to find out where they were. My hon. friend says that there are still 200 strikers in Chapleau. He can send anyone there he likes and he cannot find amongst them ten men who have ever worked in those camps in their lives.

Let me in conclusion make this observation with regard to the letters. I have under my hand similar letters and I know the man who is writing them. Because of the sympathy I have for the poor fellow's family I am not going to say who he is although I may be forced to do so if my hon. friend continues the campaign he has undertaken to wage against me and the organization I happen to represent. The letters are being written by a man who is being paid to write them and he is being paid by the communist organ known as Vapaus published at Sudbury. That covers part of the situation. I could spend the whole night reading documents that I have under my hand, to prove just what the situation is.

Progress reported.

At six o'clock the house adjourned, without question put, pursuant to standing order, until Monday, April 9.

Monday, April 9, 1934

The house met at three o'clock.

UNEMPLOYMENT RELIEF

Right Hon. R. B. BENNETT (Prime Minister): I desire to file parliamentary return reference No. 68, moved by Mr. Denis, correspondence with respect to George C. Vaudrin, as to the means taken to solve the crisis of unemployment. I have already tabled correspondence with myself. This comprises the final return, being a copy of letters sent to the Minister of Labour (Mr. Gordon).

CANADA GRAIN ACT AMENDMENT

Hon. H. H. STEVENS (Minister of Trade and Commerce) moved for leave to introduce Bill No. 53 to amend the Canada Grain Act.

Some hon. MEMBERS: Explain.

Mr. STEVENS: Briefly, Mr. Speaker, may I say that there are two amendments, one is in regard to grading, involving the question of the grading of Garnet wheat, separately. The other is merely an adjustment of the eastern terminal elevator receipts to bring them into conformity with modern practice.

Mr. GARLAND (Bow River): May I ask the minister if this bill will be referred to the committee on agriculture?

Mr. STEVENS: I presume so; it has in the past. There is no reason it should not be.

Motion agreed to and bill read the first time.

INCOME WAR TAX ACT AMENDMENT

Hon. E. N. RHODES (Minister of Finance) moved for leave to introduce Bill No. 54 to amend the Income War Tax Act (special tax).

Some hon. MEMBERS: Explain.

Mr. RHODES: Mr. Speaker, this bill provides for a special income tax of ten per cent on the salaries of the members of the judiciary, the commissioned officers of the military, the naval and air forces, and the Royal Canadian Mounted Police.

Motion agreed to and bill read the first time.

CIVIL SERVICE

SALARY DEDUCTION ACT—RESTORATION OF TEN PER CENT CUT TO EMPLOYEES RECEIVING $1,000 OR LESS

Hon. E. N. RHODES (Minister of Finance) moved for leave to introduce Bill No. 55 to amend the Salary Deduction Act, 1932.

Some hon. MEMBERS: Explain.

Mr. RHODES: Mr. Speaker, this bill provides that there shall be no deductions of the salaries, pay or compensation of any employee of the public service up to and including the sum of $1,000. That range takes in a very large number of employees of the public service. As nearly as we can ascertain some eighteen thousand in number will be affected, including revenue postmasters, part time collectors of customs, lighthouse keepers, wharfingers, charwomen, seasonal or part time labourers, lockmen and bridgemen on the canals. Those in receipt of salaries above the sum of $1,000 will be subject to the same deduction as hitherto.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

EMPLOYMENT OF ENTOMOLOGISTS

Mr. BOUCHARD:

1. (a) How many entomologists, assistant and sub-assistant entomologists were employed in the federal government laboratories during the year 1933; (b) how many investigators; (c) how many temporary employees; (d) how many agricultural students in categories (a); (b) and (c)?

2. What was the distribution of categories (a); (b); (c) as regards the different provinces?

Mr. WEIR (Melfort):

1. (a) 64; (b) 53; (c) 70; (d) none.

2. (a) Nova Scotia.. 5
New Brunswick.. 4
Quebec.. 3
Ontario.. 30
Manitoba.. 2
Saskatchewan.. 4
Alberta.. 5
British Columbia.. 11

(b) Nova Scotia.. 3
New Brunswick.. 5
Quebec.. 3
Ontario.. 24
Manitoba.. 1
Saskatchewan.. 6
Alberta.. 2
British Columbia.. 9

(c) Nova Scotia.. 3
New Brunswick.. 4
Quebec.. 4
Ontario.. 29
Manitoba.. 2
Saskatchewan.. 9
Alberta.. 5
British Columbia.. 14

(Totals for Ontario include officers employed at Ottawa headquarters.)

RADIO BROADCASTING—TOTAL EXPENDITURES

Mr. HANSON (Skeena):

What was the total expenditure in connection with the Canadian Radio Commission for the last twelve months, ending March 1, 1934, as follows: (a) salary to each commissioner; (b) travelling and other allowances to each commissioner; (c) office help; (d) inspection and field work; (e) broadcasters, acquiring and improving stations; (f) other expenditures in detail?

Mr. BENNETT: Mr. Speaker, this question was previously asked by the hon. member for Swift Current (Mr. Bothwell). It was suggested that it was not desirable in the public interest that the question should be asked in the form in which it appears, and that with the radio committee sitting every possible opportunity is afforded to secure such information without resorting to the form of question and answer. I think it would be injurious to the efficiency of the commission if it were to be subjected to this form of inquisition at every session of parliament.

Mr. HANSON (Skeena): I should have to attend the sittings of the committee every day in order to get the information.

Question dropped.

THREE THOUSAND FAMILY SETTLEMENT SCHEME

Mr. SMOKE:

With regard to the three thousand families settlement scheme:

1. What was the original number of families settled, in each province, and if the information is available, in each district?

2. What was the original total expenditure in this matter?

3. What was the original average expenditure per family?

4. What number of families are now remaining in the scheme?

5. What has been the total amount of loss on account of families leaving the scheme?

6. As regards families remaining in the scheme: (a) what was the original expenditure; (b) what amount is still due; (c) of the difference between original expenditure and amount still due, what amount, if any, has been written off as loss; (d) are any further losses anticipated, and will any further writing off be done?

Mr. GORDON:

(Soldier Settlement of Canada)

1. Families established on the land:

British Columbia	280
Calgary	373
Edmonton	482
Total for Alberta	855
Saskatchewan	623
Manitoba	301
Ontario	205
Quebec	56
Maritime Provinces	348
	2,668

2. Total loans excluding interest		$12,393,359 55
3. Original average expenditure per family		4,645 19
4. Number of families now remaining in the scheme.		1,898
5. Ascertained losses		485,638 76
6. (a) Total loans excluding interest		9,329,311 91
(b) Amount still due:		
Principal	$7,236,761 21	
Interest	298,129 03	
Total		$7,534,890 24
(c) Amount written off:		
1932 Interest Remission	$ 367,528 22	
30% Reduction	3,306,548 35	
Dollar for dollar bonus	23,418 73	
Total		$3,697,495 30

(d) No information.

Note.—Answers are given as at February 28, 1934.

MEADOWVILLE, PICTOU COUNTY, N.S., MAIL CONTRACT

Mr. URQUHART:

1. When was the mail contract last awarded for rural mail route, Meadowville No. 2, county of Pictou?

2. To whom was the contract awarded, and at what figure?

3. Who were the tenderers and what was the amount of each tender?

Mr. SAUVE:

1. On the 4th of April, 1933.

2. Sanford R. Cameron at $590 par annum.

3.

James Blackie, Meadowville	$445 00
Sanford R. Cameron, Meadowville No. 3	590 00
Peter Cotter, Meadowville Stn.	700 00
Robert R. Sutherland, No. 1 R.R.	720 00
Burton Murray, West Branch River John	744 00
Lee Ray Clark, Meadowville	785 00
J. W. Matheson, Meadowville	799 00

Mr. James Blackie being a minor, the department could not enter into a contract with him.

DENMARK, COLCHESTER COUNTY, N.S., MAIL CONTRACT

Mr. URQUHART:

1. What are the names of the parties who tendered for the mail contract for Denmark No. 2, rural mail route, Colchester county, when last contract was awarded?

2. What was the amount of each tender?

3. To whom was the contract awarded and when does said contract expire?

Mr. SAUVE:

1 and 2. Warner Forbes, Denmark. $425 00
Warner Forbes, Denmark. 499 00
Harry E. Sarson, Denmark. 599 00

3. Warner Forbes, at $425 per annum.
Contract will expire on the 31st March, 1937.

RIVER JOHN, PICTOU COUNTY, N.S., MAIL CONTRACT

Mr. URQUHART:

1. When was the mail contract last awarded for rural mail route No. 2, river John, Pictou county?

2. To whom was the contract awarded, and at what figure?

3. Who were the tenderers and what was the amount of each tender?

Mr. SAUVE:

1. On the 19th June, 1931.

2. Charles H. Bigney at $498 per annum.

3. Tenders received for a 14 mile route Smith Holt, River John, $500; Charles Harve Bigney, River John, $600; Calvin A. Langille, River John, $618; Ross I. Langille, River John, $625.

An error having been made in the notices inviting tenders, all four tenderers were requested to submit new tenders for a 12 mile route with the following result: Charles H. Bigney, $498; Smith Holt, $500; Calvin A. Langille, $550; Ross I. Langille, $625.

OLD AGE PENSIONS

Mr. COTNAM:

What was the total cost of old age pensions to the federal government in the constituency of North Renfrew for the years 1930, 1931, 1932 and 1933, respectively?

Mr. GORDON: Payments made to old age pensioners in North and South Renfrew are not listed separately in the monthly cheque issue register compiled by the Ontario provincial authorities, and submitted to the federal Department of Labour, and it is, therefore, not possible for the department to prepare from the available records an accurate statement of the federal government's share of the cost of such pensions in North Renfrew only. During the month of February, 1934, cheques totalling $12,884.61 were issued to residents of Renfrew county, the cost to the federal government being 75 per cent, or $9,663.46.

The information desired concerning the cost of old age pensions in the constituency of North Renfrew can only be secured from the administrative authority, namely, the provincial government.

BEAUHARNOIS, QUE., POSTMASTERSHIP

Mr. RAYMOND:

1. Who is the present postmaster of the town of Beauharnois, county of Beauharnois?
2. When was he appointed?
3. Is he employed in a temporary or permanent capacity?
4. Who recommended him?
5. Whom did he replace?

Mr. SAUVE:

1. Miss Laurence Laberge.
2. July 6, 1933.
3. Permanent.
4. Appointed by Civil Service Commission.
5. J. N. Laberge.

QUESTION PASSED AS ORDER FOR RETURN

PETAWAWA CAMP

Mr. COTNAM:

1. What did it cost to operate the military camp at Petewawa during the years 1930, 1931, 1932, and 1933, respectively?
2. How much was expended for material and equipment, and how much for labour and allowances?

MOTIONS FOR PAPERS

BAKER-BROOK, N.B., POSTMASTERSHIP

Mr. BRASSET (for Mr. Michaud):

For a copy of all correspondence, letters, telegrams, and orders in council, in connection with the dismissal of Xavier Cyr and the appointment of another postmaster, at Baker-Brook, county of Madawaska, New Brunswick, from September 1, 1930, to January 1, 1934.

GREEN RIVER, N.B., MAIL CONTRACT

Mr. BRASSET (for Mr. Michaud):

For a copy of all correspondence, letters, telegrams, and orders in council, in connection with the contract to one Camille Azzard, of Green River, New Brunswick, for carrying the mails from Green River station to post office at Green River, New Brunswick, from September 1, 1930, to date.

BEAUHARNOIS, QUE., POSTMASTERSHIP

Mr. BRASSET (for Mr. Raymond):

For a copy of all notices, reports, letters, classification sheets, decisions, memoranda, telegrams or other communications, and all other documents and memoranda in the possession of the Civil Service Commission or the Postmaster General, respecting the appointment of the present postmaster of the town of Beauharnois, county of Beauharnois.

SHEDS, PIER B, HALIFAX

Mr. HEENAN (for Mr. Ralston):

For a copy of all notices of tender, tenders, contracts, letters, telegrams, correspondence, orders in council and other documents, relating to the letting of the contract by the Halifax harbour commissioners for the construction of steel transit sheds on pier B, at Halifax, since January 31, 1934.

NOVA SCOTIA COLD STORAGE COMPANY LIMITED

Mr. HEENAN (for Mr. Ralston):

For a copy of all telegrams, letters, correspondence, orders in council and other documents, relating to the taking over by the Halifax harbour commission of the plant of the Nova Scotia Cold Storage Company, Limited, at Halifax, and the issue or exchange of bonds or other securities in respect of same.

TOBACCO INDUSTRY

REPORT OF INQUIRY CONDUCTED BY HON. DONALD SUTHERLAND

Mr. ECCLES J. GOTT (South Essex) moved:

For a copy of the report of Hon. Donald Sutherland on the tobacco inquiry made in 1933.

Right Hon. R. B. BENNETT (Prime Minister): In view of the observations that have been made as to the public interest being safeguarded by the production of reports made under the Combines Investigation Act the motion will be accepted by the government, and I now produce and table the report in question. It is in part the report made under the Combines Investigation Act by the registrar to the Minister of Labour, dated March 4, 1933, and attached to that report of the registrar is the report of Mr. Sutherland. The report of Mr. Sutherland was not made pursuant to an appointment under order in council as was suggested the other day, because in looking into the matter I find he was appointed under another section of the act, but his compensation was fixed by an order in council, which order in council

extended also to the compensation that was to be paid for similar services to various other persons named therein. I produce and table the document the more readily because in certain parts of this country it has been alleged that the report has been kept back because the Prime Minister of the country was largely interested as a shareholder of the Imperial Tobacco Company, and therefore was preventing this action being taken. I avail myself of this opportunity to say to this chamber that I am not either directly or indirectly through the intervention of a trustee or in any other way a shareholder of the Imperial Tobacco Company or any other tobacco company, and so far as I can ascertain never in all my life did I own a single share of that great undertaking.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I was not one of those who either believed or ever heard of the view which the Prime Minister has just expressed as to why the report was not brought down, but I did hear the Minister of Labour (Mr. Gordon) give very strong reasons last week why the report could not be produced under the Combines Investigation Act. I wonder if the Prime Minister could therefore tell us what circumstances have intervened to make it possible to produce the report now.

Mr. BENNETT: I have said that the Minister of Labour himself indicated to me after looking the matter up, as he did and as I did, that Mr. Sutherland has not been appointed by order in council, and in the public interest there was therefore no reason why the report should not be tabled especially in view of the character of the observations that have been made in various parts of the country as to the reasons why it was not.

Mr. MACKENZIE KING: The Minister of Labour must have given to the house wrong information.

Mr. GOTT: Might I suggest that the man who made that report will probably be in this house before very long.

Mr. STEWART (Edmonton): You are an optimist.

Mr. A. E. MUNN (Vancouver North): I would like to direct a question to the Minister of Trade and Commerce. Is it not a fact that the Sutherland report was asked for by the members of the price spreads committee and was refused? They asked to have that report tabled.

Mr. STEVENS: No, it is not a fact. This report was asked for and the matter was under discussion between myself, as chairman of the committee, and the Minister of Labour (Mr. Gordon). The question was raised as to whether the report should be produced under these circumstances but the matter was not finally disposed of. The point I wish to make is that it was not refused in the sense of the hon. member's question.

Motion agreed to.

SHIPS' CLEARANCE PAPERS

On the orders of the day:

Hon. R. C. MATTHEWS (Minister of National Revenue): Before the orders of the day were called on March 28 last the hon. member for Charlevoix-Saguenay (Mr. Casgrain) inquired from the hon. Minister of Marine whether the various documents necessary to clear vessels from ports were printed in both English and French. That question has been referred to my department, and in reply I beg to say that the following forms with respect to the clearance of vessels from ports in Canada are printed in both English and French: Form A6, report inwards; Form A7, report outwards; Form C8, ships' clearance.

TRANS-CANADA AIRMAIL SERVICE

On the orders of the day:

Hon. P. J. VENIOT (Gloucester): I wish to direct a question to the government based on the following item which appeared in the Montreal Gazette to-day:

> The dominion government is reported to be ready to award the contract for the long-planned trans-Canadian airmail service which eventually will bring Vancouver to within twenty-four hours of Montreal.

May I ask if there is any foundation for this report?

Mr. BENNETT: No such action has been taken.

PARLIAMENT HILL GROUNDS

On the orders of the day:

Mr. PETER McGIBBON (Muskoka-Ontario): I would like to ask the Minister of Public Works now that spring is here if he would not have his horticultural staff plan the beautifying of the grounds around this building so that it may be more in keeping with the capital of Canada.

Hon. H. A. STEWART (Minister of Public Works): Mr. Speaker, I can only say that in shaping up our program for the coming year consideration will be given to the suggestion of my hon. friend.

CANADIAN LEGATION IN JAPAN

On the orders of the day:

Mr. E. J. GARLAND (Bow River): Mr. Speaker, last session and again this session I requested the production of copies of certain documents with respect to the Tokyo embassy. I have made inquiry of the sessional papers staff and I find that these papers have not yet been tabled. I should like to know just when I can expect them.

Right Hon. R. B. BENNETT (Prime Minister): I was under the impression that they had been tabled, but I shall make further inquiry.

BUSINESS OF THE HOUSE

INQUIRY AS TO LEGISLATION TO BE INTRODUCED

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, I have been waiting to hear the Prime Minister (Mr. Bennett) give to the house the information as to the further legislative program of the present session which he said he would try to prepare during the vacation. Is he in a position to make a statement to-day?

Right Hon. R. B. BENNETT (Prime Minister): I did not say I would make a statement to-day; I said I would make it as soon as possible after we reconvened.

Mr. MACKENZIE KING: Is the Prime Minister in a position to say when we will have the bill to amend the Dominion Elections Act? I asked a question in connection with this act just before the recess.

Mr. BENNETT: The elections act is in process of preparation. It is being advanced and will be introduced just as soon as it can be completed. We were not able to make any substantial progress during the holidays because many of our own members were very tired and had to take a little rest. However, some progress was made with the act.

UNEMPLOYMENT AND FARM RELIEF

BILL IN TERMS GENERALLY OF RELIEF ACT, 1933, WITH PROVISION RESPECTING DELAYED RELIEF ACCOUNTS

The house resumed from Wednesday, March 28, consideration in committee of Bill No. 42, respecting relief measures—Mr. Gordon.—Mr. Gagnon in the chair.

On section 2—agreements with provinces.

The CHAIRMAN (Mr. Gagnon): Shall the amendment carry?

[Mr. H. A. Stewart.]

Mr. MACKENZIE KING: Read the amendment, please.

The CHAIRMAN (Mr. Gagnon): It is moved by Mr. Guthrie, seconded by Mr. Rhodes, that section 2 (a) be amended by adding after the word "province" in the fourth line thereof the following words, "and to Canadian Cooperative Wheat Producers Limited," and that the marginal reference opposite the section be amended by adding the same words thereto. Shall the amendment carry?

Mr. MACKENZIE KING: Are there any others?

The CHAIRMAN (Mr. Gagnon): No.

Mr. POULIOT: I have a few observations to make in connection with what happened last year when this same question was being discussed. I should like to quote what the Minister of Labour (Mr. Gordon) said on March 21, 1933, with regard to the member for Témiscouata. These remarks appear on page 3500 of unrevised Hansard of that year. I have not yet received the bound copy of Hansard for last year and I must use the unrevised edition. The hon. minister said:

> If the work carried on by the province of Quebec along these lines in the past needed defence, I defended them in the house against the impeachment of the hon. member for Témiscouata. Anyone who has even casual knowledge of the history of the development of Canada should not be slow to commend the actions of the successive governments of the province of Quebec even before confederation, and in fact almost since the beginning of settlement, along this line.

Those were the observations which the minister made at the time. Immediately after he had uttered those words I rose to a question of privilege. I stated that I was sorry to interrupt the minister but I felt I had to object to his words. The minister continued on page 3501 as follows:

> I am quite content to let the words of the hon. member for Témiscouata, as they will be revealed in the pages of Hansard, speak for themselves. If I used words which were not exactly his I can only say that of course my memory is not so good that I can follow him exactly. Certainly I gathered from his remarks to-day and a few days ago that he roundly condemned the administration of the colonization department of the province of Quebec.
>
> Mr. Pouliot: By certain employees.
>
> Mr. Gordon: The government takes responsibility for its officials, of course. The hon. member went so far as to say that the colonists who were sent out by the government had to eat grass and roots and so on, and I believe he even said they lived like swine. I do not come in contact with the provincial colonization men and I have nothing to do with provincial policies in Quebec, but I do know that this department is in touch with our committee, which consists of the representatives of the

colonization departments of the railways, of our department and of the Quebec department. From my observations and from what I can gather I cannot conceive that those men would be parties to a colonization effort such as has been described by the hon. member for Témiscouata.

When we were discussing the resolution upon which this bill is founded on March 22 I read a letter which had been sent to the Department of Labour by Reverend Father Beaulieu, the parish priest of St. Emile d'Auclair. That letter was published in English as an appendix to Hansard of March 26, 1934, page 1. I am not going to read the whole letter; I will quote just one paragraph. The Reverend Father Beaulieu says:

I have been patiently waiting, until this very day. It will take a miracle to save my settlers from starvation, that is the plain fact, with the few hundreds of dollars which I succeed in obtaining each month at the price of endless complaints and recriminations. The small children of settlers in my parish are without shoes, or stockings or clothes to cover themselves this winter to attend school (a large number cannot leave the camps), they are in great distress, utter destitution—

The French word is "misère noire."

—a life of cruel disappointment for a poor missionary who is in charge of all these people.

This is an excerpt from the letter which I find in sessional paper No. 192, tabled on March 2 this year by the hon. gentleman. He has received that letter. Now, at the time he received it he had not yet given his approval to the relief works submitted to him by the provincial government of Quebec in August of last year, but he did so on the eve of this session, the very day before the opening of the session. Therefore, in giving his approval to the request made by the Quebec government on behalf of the settlers in the parish of Saint-Emile d'Auclair, he presumably regarded as well founded what was written by Father Beaulieu in his letter. That letter is a confirmation of what I said last year on behalf of the settlers, whose case is very serious. I would therefore ask the minister one question. Is he ready to admit that he was wrongly informed on March 21 of last year when he accused the member for Témiscouata of impeaching the province of Quebec by his statements in reference to the case of the settlers in that province and, in particular, in the county of Témiscouata?

Mr. GORDON: Under the plan whereby the dominion government contributes, with the provincial government and with the municipality, $200 towards the settlement of a family, I find by reference to the schedule that only eleven families were settled in the county of Témiscouata. I have a recollection of observations made by myself in the house last year in answer, I think, to a criticism made by the hon. member for Témiscouata with respect to the administration of the settlement of families. I tried to make it plain that the administration is entirely in the hands of the provinces—not only the province of Quebec but all the provinces. I also, if my recollection serves me correctly, took issue with the hon. member for Témiscouata as to the general success which I at least thought, and still believe, attended the plan. As regards criticisms that were offered at that time with respect to the administration, I can only repeat that it is the province of Quebec, or any other province that avails itself of the plan, which is charged with the responsibility of administration. I do not know that I can add anything to what I have just said.

Mr. POULIOT: I will readily admit that the minister is very clever; he evades the answer to my question, which was to the point. I did not discuss the question as to how many people had been put on the land in accordance with the plan in the county of Témiscouata. The question I asked was this: Does the hon. gentleman now admit that he was wrongly informed when on March 21 last year he declared to this house and this country that the member for Témiscouata had impeached his own province in his remarks on the colonization scheme in the province of Quebec and particularly in the county of Témiscouata? I ask the minister to answer that question in view of the fact that he has in his own files a letter from the Rev. Father Beaulieu, parish priest of Saint-Emile d'Auclair, repeating exactly what I said last year. May I ask the hon. gentleman to be good enough to answer my question, which is to the point.

Mr. GORDON: I do not think it would add to the strength of the hon. gentleman's position if someone agreed with him in criticisms he may have made. We all have our own opinions; the hon. member has his and I have mine, and perhaps I am just as firmly grounded in my opinion as he is in his own. His criticisms of the administration of the scheme can be levelled at the governments of the provinces, and as no scheme that I have ever heard of is entirely perfect, there probably may be reasons why criticisms can very properly be levelled and perhaps maintained. But so far as I am concerned, if the hon. member cares to impeach the province of Quebec in its administration, that is his responsibility. I say that the plan gen-

erally is working out quite successfully, I believe—as successfully as, and probably more so than any other settlement plan we have had in this country with which at least I have become acquainted.

Mr. POULIOT: I am very sorry that the minister should give that answer. I shall give him credit that as Minister of Labour he does his very best, but I did not tell him, when he did something wrong, that he is impeaching his country. His remarks had an implication of what we call in law "mens rea," "guilty intention," and the hon. gentleman spoke in such a way as to make the house and the country understand that last year the member for Témiscouata was not fighting on behalf of the settlers, to draw the minister's attention to their troubles and miseries, but was in the House of Commons of Canada simply slandering his own province.

Mr. HANSON (York-Sunbury): Why does not the hon. member talk to Taschereau?

Mr. POULIOT: I would ask the hon. member for York-Sunbury to keep quiet; otherwise I shall speak about his connection with the Fraser Company. I shall ask him how much he charged in former years when the company was nearly bankrupt; was it $37,000?

Mr. HANSON (York-Sunbury): I wish I had got it.

Mr. POULIOT: Coming back to the matter under discussion, may I tell the minister that we on this side do our very best for the welfare of our fellow citizens without any distinction of party, creed or race. We regard that as our duty. I am generous enough to give to the hon. gentleman the same fair play as I would like to have from him. Therefore, before continuing my argument I should like to know from him whether on the information which he has about the condition of settlers not only from Father Beaulieu, whom I mentioned before, but also from his own inspector Lafortune, he will evade the question or is ready to say that the hon. member for Temiscouata impeached his own province when he spoke about colonization on the relief bill last year. May I tell the hon. gentleman that this is the last time I shall ask him this question and I expect a fair reply from him. I want to know whether he imputes motives to the member for Temiscouata now that his eyes should have been opened by reading the letter of Father Beaulieu and the report of his inspector not only in the case of the settlers of Saint-Emile d'Auclair but also in that of the settlers of Packington and St. Elzéar, likewise in Temiscouata county. After those preliminary remarks which I hope have been well understood by the hon. gentleman as well as by every other hon. member at present in the chamber, I shall ask the hon. gentleman whether he still maintains, as he did on March 21, 1933, that the member for Temiscouata was impeaching his own province of Quebec when last year on the relief bill he spoke about colonization matters.

Mr. GOTT: Yes.

Mr. POULIOT: I am very sorry for the minister that he does not answer. I thought he was generous enough to admit that members on this side of the house are doing their duty and that when they bring forward cases of distress, they do not do so for political propaganda as the Prime Minister did during the election of 1930 when every unemployed man had a white button to show to attend his meetings, but they do it in order to improve the condition of those settlers. If the hon. gentleman is not fair enough to admit that from a political opponent, I am ready to give him that credit, but I have great compassion for those who are voluntarily blind, because the voluntarily blind and the voluntarily deaf are the worst of all.

Mr. GOTT: Carried.

Mr. POULIOT: I would ask the hon. member for South Essex (Mr. Gott) to keep quiet or I shall ask him about trip passes to his dependents and to show his correspondence with the railway board on behalf of his brothers who are commercial travellers.

Mr. GOTT: I challenge the hon. member for Temiscouata likewise to show his correspondence.

Mr. POULIOT: My records are available.

Mr. GOTT: So are mine at all times.

Mr. POULIOT: So much the better. The hon. member had better table them.

Mr. GOTT: That is twice the hon. member has said that. It is on a par with the rest of his remarks.

Mr. POULIOT: Bis repetita placent. The hon. member will not understand, but this is a Latin expression which suits the occasion.

Let us see what has been done in this matter. The Minister of Labour blamed me for having spoken on these matters last year. I was one year ahead of my time. What I knew then he had an opportunity to learn since if he had been willing to give a real chance to the settlers. But what do we see? If we look at sessional paper No. 192, it will be found that in August of last year the provincial government of Quebec submitted to the Minister of Labour relief works for the settlers of the parishes of Saint-Emile

d'Auclair, Saint-Elzéar and Packington. What has been done since then by the department presided over by the minister? They waited until January 24 last to give their approval to some of the relief works which had been asked for by Quebec since August of last year. On January 24 the minister gave his approval to the relief works for the parish of Saint-Emile d'Auclair.

Mr. GOTT: That is a thing of the past in relation to the hon. member for Temiscouata for 1933.

Mr. POULIOT: I hope the hon. member will use his pass to go away from the house where he causes general disturbance.

An hon. MEMBER: Let them both go.

Mr. POULIOT: The Minister of Labour is not answering me for a very good reason. It is because he does not even read the reports which he receives from his inspectors. He had the opportunity to read the reports which have been sent to him by Mr. Lafortune, one of his inspectors, who surely recommended the approval of the relief works asked months ago by the government of Quebec for St. Elzear, but when I asked in this house why the relief works had not been approved I had this answer from the hon. minister on March 28:

While our inspector, who visited the district in question, reported that the situation existing did not warrant the approval of the work proposed to be undertaken for the relief of unemployment, subsequent information indicated that conditions had changed and the schedule was consequently approved by the dominion on January 24, 1934.

3. Has the work proposed for the parish of St. Elzear and St. Benoit de Packington been approved by the federal government?

Answer. No.

4. If not, why?

Answer. Our inspector, who investigated conditions in these two municipalities, reported that the proposed works were not necessary as relief measures.

5. With regard to the two latter parishes, is the government in possession of any correspondence to the same effect as that contained on pages 9 to 16 inclusive of sessional paper number 192, reference number 22, tabled in the house by the hon. the minister of labour on Friday, March 2, 1934?

6. If so, by whom was each document received and what is the date?

7. If said correspondence exists, why is it not contained in the above sessional paper?

Answer. 5, 6 and 7. On going through the file it is found that the only document not included in sessional paper number 192, reference number 22, is a list of the unemployed of St. Benoit Abbe. This list which is undated and bears no signature was received without a covering letter and as it was attached to the inspector's report on this municipality, and as the inspector's reports are confidential, the list of unemployed of St. Benoit Abbe was not included in the return to parliament.

I enclose herewith a copy of the list referred to in the reply to questions 5, 6 and 7.

Yours truly,

W. A. Gordon,
Minister of Labour.

Here is the list which has been sent to me by the hon. gentleman.

Témiscouata

List of those in need of relief at St Benoit-Abbé

Names—	Dependents
Pierre Côté	Bachelor
Esdras Beaulieu	Bachelor
Alfred St-Pierre (Frs)	2
Willie Ducasse	8
Alfred St-Pierre	12
Alphonse Desjardins	5
Louis Bédard	9
Thms Thériault	9
Simon Thériault	6
Henri Landry	7
Alexis Gendron	Single
Télesphore Dubé	9
Arthur Beauregard	5
Athanase Huppé	4
Antoine Dubé	7
Alfred Labbé	5
J.-B. Dumont (Ernest)	8
Jos. Dubé	2
Eugène Dubé, père	10
Eugène Dubé, fils	6
Raoul Morin	2
Télesphore Morin	1
Alonzo Valcourt	5
Pite Valcourt	3
Jos. Morin	6
Noël Morin	3
Isidore Beaulieu	2
Isidore Beaulieu, fils	Single
André Michaud	3
Ludger Dumont	3
Lucien Morin	Bachelor
Esdras Morin	Bachelor
Ernest Dumont	4
Martin Côté	8
Jules Soucy	3
Albert Morin	2
Adélard Patoine	4
Adélard Beaulieu	10
Cyrille Beaulieu	6
Henri Bouchard	10
Magloire Morin	11
Alcide Lévesque	4
Olivier Lévesque	4
Henry Lévesque	3
Martin Landry	8
Henri Boucher	10
Jos. Cyr	7
Eloi Collin	8
Eddie Jalbert	6
Willie Jalbert	4
Stanislas Paradis	7
Max. Nadeau	7
Bernadin Nadeau	11
Phydime Ducasse	2
Stanislas Ducasse	4
Alphonse Pelletier	7
Jos. Albert	3
Emile Patoine	7
Emile Ouellet	Bachelor

Names—	Dependents
Auguste St-Pierre	Bachelor
Vital Albert	5
Sylvio Lavoie	13
John Ollender	3
Alex. Dubé	5
J.-B. Dumont, Pack	11
Ad. Leclerc	11

Relief authorized November, 1932, to May, 1933: $2,700.

Summer relief, 1933: $500.

Total: $3,200.

To enable those people to live, to supply a living to them from November, 1932, to the date on which that letter came to the department!

Well, sir, the minister should understand very well now that I do not put the blame on the government of Quebec, because in those times of stress and despair the Quebec government submitted a program of works for the relief of those three parishes to the department of the minister in the summer of last year, but in two cases no answer came before March 31, last. It seems that the minister will never admit that those people need relief just as badly as, if not more, than the people who live in towns and have direct relief. That is a very important point. I have been asking the minister a fair question and have not got a satisfactory reply.

Referring to the statements made by the solicitor general in Quebec during the recess, that the Liberals were continuing the same opposition to the bill now as they did in the previous years, let us go back to last year and let us remember that last year I was insulted in a Quebec paper by a man who was formerly in the press gallery and is now a civil servant. He wrote an article entitled "Mr. Bennett disapproves of all attacks on priests." I was very careful when I spoke about one of the employees of the Quebec government. I mentioned in the house that I was criticizing him as a government employee and that I had the greatest respect for his sacerdotal character. What did the man write in a Quebec paper? He wrote that Mr. Bennett disapproved of all attacks on priests. What I mentioned appears as a question of privilege on the first page of Hansard of Monday, April 3, and the English text in the appendix to unrevised Hansard No. 86. I try to be logical in my statements in the house. It is because I try to do so that when my hon. friend the senior member for Ottawa (Mr. Chevrier) rose on a question of privilege to defend the deputy ministers against the so-called attack made in this house by the hon. member for Labelle (Mr. Bourassa) I protested against it, basing my protest on standing order 41 of the house. I shall read standing order No. 41:

No member shall speak disrespectfully of His Majesty, nor of any of the Royal Family; nor of the governor or person administering the government of Canada; nor use offensive words against either house, or against any member thereof. No member may reflect upon any vote of the house, except for the purpose of moving that such vote be rescinded.

Opinions are free. But what I say is this, that I was complaining about a man whom I had called a dirty scoundrel. I suggest that the expression could be used with reference to that man because the words "dirty" and "scoundrel" belong to the king's English. I have a right to use them in accordance with the rules of the house, and may refer to anyone in those terms, with the exception of His Majesty, or His Majesty's representative in Canada, the governor general, or any hon. members in either house of parliament. Besides that, in self defence, I am perfectly justified, not to attack anyone, but to pass judgment upon him. Therefore I say I was acting in accordance with the standing orders of the house when I used such language concerning one who has been promoted to the position of secretary to the executive in the Post Office Department. What happened? The right hon. Prime Minister rose in his place and objected to the words I had used, asking that they be stricken from Hansard. What followed that? The hon. member for Compton, who is now in his seat, without reason used the same language against a gentleman who is now president of the press gallery. His remarks were allowed to remain in Hansard.

Mr. GOBEIL: I never used those words, at all.

Mr. POULIOT: I will not insist upon it; my hon. friend is splitting hairs. I remember very well, however, that he used most insulting language about a respectable citizen, and those words were allowed to remain in Hansard. After the proceedings have concluded for the afternoon I should be glad to show the hon. member the page of Hansard where his remarks are quoted. I shall go with him, and will agree that probably he did not use exactly the same words. My memory does not fail me, however, when I state that the hon. member for Compton complained in most abusive language about a gentleman, a highly respected citizen, who is now president of the press gallery. Those remarks were allowed to remain in Hansard.

The CHAIRMAN (Mr. Gagnon): May I remind the hon. member he is running far

afield, and that his remarks are beyond the subject of debate. I suggest he cannot refer to the debates of last year, but only casually.

Mr. POULIOT: I shall explain what I have said. An hon. member makes a statement, and it must be either right or wrong. Any hon. member may make a mistake, but the rules of the house state that no one has a right to impute motives to another. As members of this house, however, I state that any hon. member has the right to pass judgment on another person, so long as that person is not mentioned in standing order No. 41.

I complain that in connection with this particular matter of colonization I was not treated fairly by the Minister of Labour. Further than that, I state that the hon. gentleman did not answer my questions any more than he would have done had I been speaking to a fence post. A man outside the house, and through his own publication, was insulting me, deforming the statements I had made, and imputing to me motives I had never held. Sir, my dignity was offended. As a gentleman and as a member of this house I passed judgment upon that dirty scoundrel. The government took full responsibility for him when the Prime Minister asked that my remarks should be struck from Hansard. This is my complaint, sir. I complain particularly in connection with this matter of colonization. I complain that on account of these dirty writings that man has been promoted in the civil service, and not later than March 20 the Prime Minister stated in the house that the fact the gentleman about whom I am speaking was secretary to the executive in the Post Office Department did not prevent him from placing political propaganda in the papers, despite the fact that this secretary was paid out of public funds.

Here, sir, I asked reasonable questions of the Minister of Labour, and received no answer, or answers that were insufficient. This man who has insulted us through the press is supported by the Prime Minister. The Prime Minister treats him as the governor general, and any judgment that I passed upon this man was, at the request of the Prime Minister, struck from Hansard. And not only that; the one in question is given a promotion, and is paid by the state to misrepresent utterances of hon. members in this chamber. Well, sir, this is a pity. But may I tell you one thing, namely, that this action will not prevent me from doing my duty as a member of parliament. When I hear the hon. member for North Renfrew say, "You should go," I answer, "Why should I go"? I am here to defend my people, the people who have suffered. During an election campaign arguments take place between Liberals and Conservatives, but after the election the man who holds the majority in any constituency represents all the people, whether they be Tories or Grits, Conservatives or Liberals, whether they belong to any race, any creed or to any political party. He represents them all. It does not follow that these men who have gone far into the woods, far from all the facilities and enjoyments of life, are to be forgotten. When I ask decent and reasonable information from the government I want answers.

To come back to what I was saying about that dirty Boutet, I say that the government would do much better if it would spend more money for those people at Saint Emile d'Auclair, Packington and Saint Elzéar and not use public funds to falsify statements made by hon. members on this side of the house.

I hope the minister will understand that he will receive from us the same treatment he has given—probably better. I would never have said to him that by his utterances he was impeaching his province or his country. May I say however that the Department of Labour is impeaching the progress of Canada, when it pays no more attention to the settlers. We should not forget those people because they are poor or because they do not rank as high as Sir Herbert Holt, or other people in the financial world. We must not forget them, because they are our problem. They are our fellow Canadians, and are as good citizens as are the richest men in this country. For that reason they deserve full consideration from the government. I regret that I have received no answer from the minister. He knows very well that I have at heart the success of a scheme of colonization, not only as it affects the province of Quebec, but also as it affects that part of northern Ontario in which he lives. I want every Canadian citizen to be happy and to be as prosperous as circumstances permit. Every man in Canada has a right to live. I hope the hon. gentleman will not put on the high hat in regard to the views of any member on this side of the house, but will understand that we are sincerely concerned for the welfare of those who are suffering in the remote parts of this country; and when any provincial government, whether it is the government of Ontario or of Quebec, takes the responsibility of asking him to endorse a request for relief I hope that he will understand it is done for the welfare of these very people. I congratulate the Quebec government upon having brought this par-

ticular matter before the Minister of Labour and asking him to do something for the relief of these people who are living in the wilderness. The Quebec government has done its duty, but did the minister do his duty when he waited several months from summer to the middle of winter and then opened his hands to only one parish of the three? Did he do his duty when he refused to give his approval to the requests made by the Quebec government on behalf of those other two parishes?

My time is up, Mr. Chairman, and I shall not continue. I leave it to the conscience of the hon. minister to determine for himself in his own mind, when he goes home after this sitting is over, what the position is, and I am sure that he will say to himself that the member for Témiscouata is right although for political reasons the minister cannot admit it now.

Mr. HEENAN: I see by the press that Premier Henry of Ontario has announced a program of public works for northern Ontario, including the blasting of many miles of rock. Might I ask the minister if it is contemplated that this government will pay a share of that work, and if so, how much?

Mr. GORDON: The matter is not in contemplation, Mr. Chairman. This government has no authority to contribute to the work that is being done in any province at the moment. I am not acquainted with the program to which reference has been made. I have not seen any reference to it, and so far as I am aware no application has been made to this government asking for any contribution to the work which is said to be about to be carried on in Ontario.

Mr. HEENAN: I would like to get this matter clear, Mr. Chairman, because it is very important to our province. The premier of Ontario—I can get his exact statement as reported in the press in a few minutes—has announced an increase of the relief allowance as well as an increase in the wages of the men working in the road camps to 25 cents an hour. In that same statement the premier of Ontario announced that he would have 25,000 more men working in northern Ontario during this summer, and that he was going to let many miles of rock work by contract, especially between Vermilion bay and Kenora. I was wondering if the province was going on with that program of its own accord or whether there would be a contribution by the Canadian government.

Mr. GORDON: There is no agreement between this government and the province of Ontario with respect to the plans of the province in northern Ontario or anywhere else.

Mr. HEENAN: Let me put it in another way. I can quite understand that there is no agreement because the previous agreement has lapsed. But if the provincial government asks for a similar agreement on relief work to that which obtained before March 31 last, is it intended or contemplated under this measure to make such an agreement with the Ontario government?

Mr. GORDON: It would be possible, Mr. Chairman, but I would not care to speculate on the sort or kind of agreement or whether there will be an agreement at all on behalf of this government to supplement anything that the province of Ontario may do.

Mr. HEENAN: Hon. gentlemen will see the predicament in which a member of parliament on the opposition side is placed, and I am sure many members on the other side of the house are in the same position. Here is the government asking for a blank cheque to spend as they see fit, and yet according to the minister's statement they may not make any agreement at all. In other words, we are being asked to vote a blank cheque ostensibly for the purpose of providing assistance to the provinces to take care of unemployment relief, and yet the minister will not even say whether he will make such an agreement. He may or may not contribute to the provinces. It simply means that members of parliament are now being asked to agree to putting into the hands of this government a blank cheque to be used at its discretion without the government undertaking to say whether it will make any agreement with the provinces or not. I cannot take any other meaning from the minister's words than that.

I would ask this further question: In the event of the Ontario government making such an agreement after this measure becomes law, will this government insist upon the contracts being let by tender, and upon seeing those tenders before the contracts are let, in order to see that the work is allotted to the proper, which is usually the lowest tenderer.

Mr. GORDON: It is difficult to speculate on what the government may or may not do until there is clearly before it a particular problem. I am not acquainted with the program which the Ontario government is laying down for the extension of their roads. So far as the agreement that has prevailed during the last eight months is concerned, it lapsed at the end of the fiscal year. It may be that

the province of Ontario may be able to convince the government that they are not able to carry on work that is going to give some return to their unemployed. The difficulties of every province must be examined in the light of the need, if there is need. I frankly state, Mr. Chairman, that the province and the municipalities and the individual have that burden charged directly to them, but as has been stated in this chamber many times if in the operation of this law, as in the case of the law that preceded it, it is disclosed that the province and the municipalities and the individual cannot discharge their burdens and a case is made out for contribution, then contributions will be made. When I hear an hon. member complaining that we have been given a blank cheque and then becoming fearful that we are not going to fill it in, it strikes me as not being very logical. The government is charged with the handling of the taxpayers' money and I am not unmindful of the burden which accompanies this responsibility. I certainly will spend no more money than is absolutely necessary to take care of these situations which have arisen throughout Canada during the last four years, the cure of which has required the combined forces of all governments and the individuals themselves.

Mr. HEENAN: Surely this is not an answer to a body of public men who are trying to legislate fairly and reasonably. Surely the minister is not going to hide behind the fact that the agreements expired on March 31 and attempt to make us believe that he does not know in his own mind what is required for the various provinces. I hope the minister is not trying to have us believe that he has not seen the announcement of Premier Henry which has appeared on the front page of nearly every newspaper in Canada. Premier Henry has announced that the wages of the men in the camps are to be increased to 25 cents per hour. The government of Ontario, like other provincial governments, are not any richer to-day than they were a year ago. There must be some reason for all this and still the minister is trying to have the committee believe that he does not know what will be required or what is in contemplation. If the government do not know by this time, they ought to know for they have been at it nearly four years. The leader of the opposition (Mr. Mackenzie King) quoted from the report of the auditor general the other day and everyone should realize that this slipshod method of doing business should not be permitted to continue any longer. The Ontario government has laughed at and ridiculed the statements I have made during the last three years to the effect that the wages paid under an agreement entered into by this government were slave wages. The Minister of Lands and Forests has admitted that the wages paid were no wages at all—not even slave wages. While the province is in no better financial standing than it was a year ago, all of a sudden on the eve of an election it announces that the wages will be 25 cents per hour instead of $5 and $10 per month.

I do not think the minister is doing himself credit by not telling us what is in contemplation or just what his survey calls for for the coming year. He is asking for power to make these agreements and surely he must have some conception of what is required. On the eve of an election the Ontario government has increased the wages paid to these men in the camps to 25 cents per hour, yet that government is no better off financially than it was a few years ago. In fact, I know it is worse off. How is it that they can increase these wages to-day when they could not increase them at any time during the last two or three years? Do they intend to give these men some of the money of which they were robbed through not receiving proper wages during the past year? Is this what they are doing just on the eve of an election? I do not think the people of the province will be hoodwinked by this action. I think it was in 1931, when a similar measure was under discussion, that the government gave a specific pledge to the effect that the fair wages policy of the dominion government would apply to any contracts let. But instead of seeing that that was done they permitted the Ontario government to make their own terms and conditions, the result being that $5 per month was paid during the summer time when men were eaten with the flies and $10 a month in the winter time when they froze to death at ten, twenty and forty below zero. At that time the Minister of Lands and Forests told the people that he simply could not pay higher wages. Taking him at his own word, is he in any different position to-day from what he was then?

The minister will have to use some judgment when the Ontario government come to him. He will have to ask them how their financial position differs from what it was at the time the last agreement was made. The only answer which the Minister of Lands and Forests or Premier Henry can make, and behind closed doors, is, "Well, Mr. Gordon, you know we are on the eve of an election and we simply dare not go up into northern On-

tario after votes should these men still be working for slave wages; we want you to sign this agreement in order to help us out."

If tenders are to be let I hope they will not be let under the same conditions as some of those let by the Ontario government of which we have heard. This government is contributing fifty per cent of the cost and the minister should look these tenders over to see whether they are being let to friends of the government or to legitimate contractors. I think we should know whether men are to be sent to these camps simply because they have the ability to write letters to the press. Men have been sent to these camps from the older parts of Ontario simply because they could write a letter to the effect that a public man was not stating the case. This is the greatest joke which has ever been played on the public life of any country. Men from various parts of Ontario, even from Ottawa, have been sent to these camps because they were fairly good writers and able to write letters to the press to the effect that some public man is not making a correct statement. These men were promoted immediately to a salary of $60 or $70 a month. Some of them are not even allowed to work even though they want to. I am sure some hon. members have seen a letter from a man from Ottawa in which he takes me to task for talking about these slave camps. He has been going around boasting that he has a letter in his pocket from R. B. Bennett thanking him for his good work. This man's signature appears on the letter in the press and the minister should investigate the whole matter and find out why he was sent up into northern Ontario from down here in Ottawa. If the minister does that he will find out that he is the calibre of man who will sign anything prepared by an officer of the Ontario government. I have received information that he has been promoted to the position of assistant superintendent of Algonquin park. He received this promotion simply because he called some public man—

Mr. VENIOT: A liar.

Mr. HEENAN: I do not say that and if Hansard caught that remark I hope they will credit it to the hon. member for Gloucester (Mr. Veniot). This is the way in which public money is being expended. I notice from the auditor general's report that the firm of Crawley & McCracken have a contract to feed and house the men in these northern Ontario camps. This firm has a staff of their own and they are charging the men 60 cents per day. They reduced the men to $5 a month while at the same time Crawley & McCracken's contract was increased from 50 cents to 60 cents a day for the men. That is a new method of economics. Their travelling expenses, railway fares and so on, in connection with the staff of Crawley & McCracken, under a contract with the Ontario government, were actually charged to the federal government. This government has had to pay on that account nearly $3,000 up to the present time. If that is the system that is to be carried out, I think the minister should let us know whether or not it is intended to contribute to this 25 cents an hour. When they agree, as I know they must, then I would ask the minister why he did not insist upon 25 or 35 cents an hour in the last two or three years. If it is intended now to pay back the men with their own money we want to know, because if that is the intention it reminds me of a story I once heard about a fellow who fell in love with a girl. She became very cool and left him altogether. After a while he met her again, being still in love with her. She warmed up to him a little bit and he said, "You don't look as well as you used to." She answered, "No, I have lost all my teeth." Well, he saved up money and bought her a new set of teeth and she became fairly good looking again. He was still in love with her.

Mr. COTNAM: Was he an Irishman?

Mr. HEENAN: I think this man came from Renfrew. At any rate, the girl warmed up to him but subsequently became cool again. He happened to meet a friend about this time and told him that the girl had lost interest in him. He said to the friend, "I met her on the street and she laughed at me with my own teeth." I want to ask the minister whether he is going to permit the Ontario government to laugh at these men with their own money, bribing them during election time with their own money. This money is due these men, having been wrongfully withheld from them, and the Minister of Labour should insist that it now be paid to them as back dues, for they are entitled to it. It should not be used to pay them for the future but should be given to them as back dues. Crawley & McCracken have contracted to feed and house the men—

Mr. McGIBBON: Grit contractors at that.

Mr. HEENAN: Great contractors?

Mr. McGIBBON: Grit—G-r-i-t.

Mr. HEENAN: I know nothing about that, but if that is so it is one good feature about them. At any rate the object of the relief legislation was to provide the men with work whereby they would receive wages. That was the purpose of this unemployment relief

measure, according to the Prime Minister's own words; it was to assist settlers in the several communities across the country. Well, Crawley & McCracken have been purchasing their food supplies, their meat and vegetables, potatoes and all sorts of things, not from the settlers along the highway but in the cheapest places, Winnipeg in most instances, or Toronto. That is not helping the settlers along the highway; it is not giving them any assistance in the least. Now, just before an election, after we have been pounding at the Minister of Lands and Forests of the Ontario government for nearly three years, he allows the candidate in the Kenora riding to make a statement on the front page of the local papers to the effect that he has made arrangements —this candidate has made arrangements—with the contractors to purchase supplies, and is inviting all settlers to quote prices and to be ready to supply.

An hon. MEMBER: And join the Conservative association.

Mr. HEENAN: I do not think they have asked them that yet. I do know however of one place where the returned soldiers, the legion, held a meeting, calling upon the local member to explain why they were not being considered in connection with jobs, and I have a letter from the legion that his reply was: "Before you are considered you will have to pay your 50 cents and join the Conservative association, and if the executive recommend you I will recommend you to the Ontario government." Hon. members in this house have no conception whatever of the political thuggery that is going on in Ontario under the Ontario government, bludgeoning the men in.

I have here some cheques which I hope to exhibit during election time. I know I shall not convert anyone on the other side of the house to my way of thinking, but I want the people to see these cheques.

Mr. McINTOSH: Including some of the one cent cheques?

Mr. HEENAN: They range from 70 cents to 1 cent. I see that Mr. Henry has made the statement that he has received, from the gentleman who received the 1 cent cheque, a letter in connection with the payment of that amount. I suppose he has been given a foreman's job; if he has not already got such a job he will get one before long. I would point out however that Mr. Henry and his government have fallen into a trap in this regard, because, with respect to all these cheques, from 70 cents to 1 cent, I mentioned the name of only one man. I did not mention any other names, having received the cheques on condition that I would not reveal any names, because I was told, "If you mention my name, neither myself nor my dad will be allowed to live in this part of the country." That is to say, they would not get jobs. For that reason I did not mention the names that appeared on the cheques, except the name of this one man, Caesar. Well, the Ontario government fell for it, because they got next to this man in some way or other, with the result that he finally wrote a letter, although it does not appear in the newspapers. At any rate, Mr. Henry states in the press that he has received a letter from this man Caesar to the effect that he, Caesar, sent this 1 cent cheque to the Hon. Peter Heenan only by way of a joke. I agree that it is a joke all right; there is no doubt about it that it is a joke to pay a man 1 cent for a month's work. This man says, "I am quite content in the camp," and so on. Now, anyone who knows northern Ontario and is acquainted with the organization in that part of the country knows very well that this man has been got at and has been told that he will be dismissed and will have to get out of the country, or has been offered a position of some sort, as foreman, in order to get him to make the statement he has made. The fact is however that either he was anxious to please Mr. Henry, or that Mr. Henry misconstrued his statement, because the man never sent me the cheque at all, although it seems that he said he did. As a matter of fact he sent it to the editor of the Vancouver Province and the editor cut it out, had it photographed, and published it on the front page of that newspaper on Wednesday, August 16, and I cut it out of the Vancouver Province. To show how satisfied this man was, he said, "Please return me the original, because I want to frame it so that my grandchildren will see how the Ontario government treated the labouring men in that province." In view of the conditions up there, I am inviting all my friends to write letters to say that the Hon. Peter Heenan does not tell the truth and that conditions are different from those he depicts. I invite them all to do that because they will all be made foremen and there will be no more labourers at all.

These are the conditions that exist there and it is a disgrace. And the worst part of it is that the federal government is contributing money to this sort of thing. It contributed half of this 1 cent cheque. The federal government gave this man Caesar half a cent—not directly, but they gave it to him

just the same, and they do not seem to be a bit ashamed, notwithstanding that in the regulations it is provided that there shall be fair and reasonable wages for the work done. But does this represent fair and reasonable wages? I should like the minister to inform the committee therefore whether he proposes to see that these tenders are let properly, whether the fair wage clause will be applied, whether the settlers along the highway will get the protection to which they are entitled by the contractors being made to procure from them as much of the foodstuffs required as possible, and what excuse the province of Ontario is giving now for the increase being made in the eleventh hour before the election. Why is it that a year ago it could not do this and now it can? I think those are questions that should properly be answered before this bill passes.

Mr. GORDON: I have listened with a good deal of interest to what the hon. member for Kenora-Rainy River has said. If and when any contribution is made by the federal to the Ontario government, wherein it is contemplated that contracts may be entered into, I think it is proper that where rates of wages are involved, the wage earners should be given such protection by way of schedules of rates or going wages, as the case may be, as it is possible for the dominion government to impose.

With respect to the remarks made by the hon. member about the spoils system or whatever you like to call it, I assume that if what is going on now has only recently started, this is a surprise to most of us. I think the best that any of us can do is to see that in the expenditure of public moneys every kind of precaution is taken in order that the taxpayers' money shall be devoted to the purpose for which it was raised, and in so far as it is humanly possible to minimize the amount of money that may be wasted or may go to people who are not entitled to it, I believe the committee can take my assurance that the government will see to it that moneys are not wasted. It is not a new thing to hear about political parties dealing with public funds in a way that might not commend itself to us, but in order that we may get the picture from a number of angles, I assume the hon. member will remember that a provincial election took place in British Columbia not very long ago, last November, I believe. In February following the election this advertisement was called to my attention. It is from a place in British Columbia called Bella Coola and it starts off like this:

> You must be all right for this job.
>
> None but Liberals need apply for government work at Bella Coola.
>
> To the victors belong the spoils!
>
> This is declared to be politically true in the Bella Coola district. . . .
>
> Applications will be received by the undersigned until noon, February 6, 1934, for road foremen, tractor drivers and truck drivers in the Bella Coola valley and district. Applicant must state qualifications, experience and what position he desires. Applicant must be a Liberal and have his application endorsed by three Liberals in good standing.
>
> C. A. Brynildsen,
> Secretary Treasurer of the Bella Coola Liberal Association.

Mr. MACKENZIE KING: Does the minister endorse that sort of thing?

Mr. GORDON: I certainly do not, but I just wanted to illustrate that sometimes in spite of every possible effort, people who have not what we believe to be the right sort of approach in the spending of public money, do take advantage and I think one of my tasks is to see that that is minimized to the smallest possible amount. I may say that when these matters arise I draw them to the attention of the premier of the province. I drew this matter to the attention of the British Columbia government and I have from them the assurance that they will not countenance this sort of thing. It is very difficult just to say in a broad way that because persons happen to belong to a party that does not hold the same political views, for that reason they are totally without virtue and have no sense of responsibility; that is going a little too far. I offer that to the hon. member for Kenora-Rainy River to ponder over.

Mr. HEENAN: The minister like myself is not speaking very loudly. Did he say he would leave that matter for me to ponder over?

Mr. GORDON: Yes.

Mr. HEENAN: He need not. I belong to Ontario, not British Columbia.

Mr. GORDON: Let the hon. member ponder over it anyway. I can only repeat the assurance that I gave a while ago that in joining with a province in order to assist in the relief of unemployment and of those in need, this government will take every possible step to incorporate in the arrangement or agreement such clauses and terms as will best ensure that the money which the dominion contributes jointly with the province and other bodies, will be devoted to the purpose for which it is intended.

Mr. MACKENZIE KING: The communication which the minister has just read only confirms what we on this side have been saying right along, that something more in the way of direct supervision over the expenditure of federal moneys by the provinces and municipalities should have been provided for by the government in the agreements that they were making with the provinces at the time that this money was being handed over to the provinces. If that had been done, nothing of the sort the minister has just read would have been possible under any circumstances. Had it been understood from the beginning that there was to be an audit instead of that there was not to be one, many of the matters that are now coming to light would not have occurred.

But what I wish to speak about at the moment is this: We are on clause 2 of the bill which contains the provision:

Notwithstanding the provisions of any statute or law—

the governor in council may pass orders in council for peace, order and good government. At the very beginning of the discussion I asked the minister whether he would not confer with his colleagues and advise the committee at a later stage whether that clause could not be deleted from the bill this year. The minister said that he would so confer, but he has not yet told the committee whether he has done so, or if he has, what has been done as a result of the conference and what is the decision of the government in the matter. If that clause were to be dropped, it would shorten materially the further discussion of the measure. The minister ought to drop it; the argument that has been advanced from this side in opposition to the retention of the clause at this time is unanswerable.

May I repeat what was said the other day? The clause did not appear, it was not found necessary, in the bill of the special session of 1930, though the session was called to deal with an alleged emergency. It appeared in the bill of 1931, but it was kept there only by the application of the closure on the part of the administration. In 1932, it was dropped, and nobody suffered as a consequence, no public interest suffered in the least. The next year it was reinserted, against the protests of hon. members on this side, but notwithstanding that it was there the minister has since told us that no use was made of it at all last year. He also told us that the only use made of the clause at any time was to allow banks and insurance companies to revalue their securities, and to prohibit the export of gold; according to the minister, that is the extent to which the power has been used. I submit that that does not justify the retention of the clause this year, particularly when, as I have already pointed out, it is known that in all probability this is going to be the year of a general election. And particularly, may I add, when the government is alleging that the emergency is pretty well gone by, that times are improved and conditions are now on the upgrade. There is therefore not the necessity for this alleged emergency legislation that there was before. If under these circumstances the minister does not withdraw the clause he must not wonder that we see an ulterior motive in its retention. As I pointed out, the clause is not to give the ministry power to legislate with respect to peace, order and good government; under the statutes they have already all the power needed for that purpose, but this clause is to give the ministry power, notwithstanding any law or any statute, to pass any measure it pleases by order in council, so long as the order in council may be designated one for the furtherance of peace, order and good government in Canada. As the minister has shown us, the action with respect to the revaluing of securities was taken notwithstanding the existence on the statutes of provisions which gave the citizens of this country belief that securities having a certain value must be shown at that value when returns were being made with respect to them. I do not think the use to which the legislation has been put justifies its continuance. As the hon. member for Comox-Alberni (Mr. Neill) said the other day, under the power being asked, the government during the period of a general election could pass any order in council it pleased with respect to something happening in the election, which might have a very vital bearing thereon. They might in effect repeal any section of the Dominion Elections Act. That cannot be denied, because the purpose of the clause is to give the governor in council power, notwithstanding the existence of any law or statute, to pass any order in council it pleases. I say for that reason alone we ought to oppose its retention to the limit. It is only too clear that with that power the government, under pressure, in the event of a dispute arising in some electoral district in the course of the campaign, could forthwith pass an order in council and settle the whole matter before the election day, could say that notwithstanding such and such a section in the election act, such and such is to be done. It cannot be denied that that power would be

given if this provision goes through. I cannot but believe that some purpose of that kind must be in the mind of the government, otherwise they would not retain the section at the present time. Not the election act only, but any legislation, no matter what it is, may be overridden. The government would be able to do for any corporation, for any organization, anything it pleased to designate as being done for peace, order and good government. No matter what the law of this country may be, it simply means that existing legislation, legislation enacted by parliament for the purpose of giving confidence in their rights and a sense of security to the public, is of no value at all; that there is no liberty, no right, that is not infringed by the power being given to the administration.

I have only heard the minister and hon. gentlemen on the other side give one other reason why the clause should be there, why that power should be given to the government at the present time, and to my mind it is a reason why it should not be there. It was that these are times of great social unrest. That is true. The world at the moment is passing through what may be and will be described in future as a social revolution and changes may come very rapidly. That being so, it is said that the government should be endowed with very special powers, to be able to act at any moment in regard to what may take place if something in the nature of revolutionary change came about.

One hon. member opposite, and I think the minister himself, referred to and gave as a reason for their adoption here the powers given to the president of the United States to deal with emergency conditions. May I first of all say a word with regard to the powers given to the president of the United States, in order to clear that up. The present president of the United States came into office about a year ago. He has had but one year of office; the powers given him were given only for a period of two years. But this administration is now completing its fourth year, it has had four years of power to inaugurate and carry into force the policies designated by it for the purpose of improving conditions. It has had a perfectly free hand in regard to those policies for all that time. It has had this extreme power given it on two previous occasions. As far as the United States is concerned, the president came into a situation which had been going, so it was alleged, from bad to worse, at least so we are led to believe, as a consequence of the inaction of the preceding administration. Here the situation was different. Here the government claims that the situation has been improving right along, and that we are now into the fourth year of improvement as a consequence of their retention of office. So the parallel on that score does not hold. But the real point is this. As the minister knows and as hon. gentlemen opposite well know, the constitution of the United States is based on a wholly different principle from that underlying British parliamentary institutions. The executive of the United States is independent of the legislative body. The American system is a system of checks and balances, it is not a system of reconciling the wishes of the executive with those of parliament and vice versa. For that reason the parallel does not hold—

I am glad the Prime Minister has come in, because I would like, if I might, to speak directly to him on this point. We are discussing the second section of this relief bill; in it there is a clause by which the government asks to be given the power, notwithstanding any statute or law, to continue to pass orders in council with respect to peace, order and good government. I am trying to point out that the grounds for that legislation do not now exist. Whatever may have been said at previous sessions they do not exist now. According to the record, the government did not need nor ask for that power at the time of the special session of 1930, they got it in the session of 1931 only by use of the closure, it was dropped at the session of 1932 when according to the government's own statement conditions were much more serious than today, and no public interests suffered by it being dropped. In 1933 when it was restored it was against the strong opposition of this side of the house, and hon members in other parts of the house as well, but the power was never used last year, and we cannot see why the minister should ask for that power this year. The fact that this may be the year of a general election, which may occasion great uncertainty with respect to what is taking place in different parts of the country may increase the temptation for the government to use the legislation in ways that would not be followed if the pressure were less than is likely to be the case at the time of a general election.

The only real argument that has been urged in support of it is that these are times of great social unrest, that the world is passing through a time of social change. For my part I believe that it is so. I hope very much that far-reaching changes will come about and I believe they will. I hope they will result in a more equitable distribution of wealth, and much more in the way of social justice. I do

believe however that unless some country stands firmly for the preservation of its representative political institutions, institutions which have helped to preserve liberty and freedom, there is danger of every country being more or less submerged under the revolutionary tide which is sweeping across the world. Those who might otherwise greatly benefit by any social change brought about in an orderly and proper fashion would be the first to suffer by a change brought about in any other manner. We cannot stem the onward flow of the tide that has set in, but we can control and direct the channels through which it may be made to flow to the advantage and not to the ruin of all concerned.

The arguments urged by hon. gentlemen opposite are to the effect that the president of the United States has had to have exceptional powers; therefore similar powers should be given to our governor in council. When my right hon. friend entered the chamber I was saying that those powers were given to the president just a little more than a year ago. My right hon. friend and his ministers have now had nearly four years in which to shape matters and policies; as a consequence, I submit that so far as meeting any situation they are in a position very different from that of the president, when he assumed power. But apart from that—and this is the point I wish particularly to make—the executive in the United States does not bear the same relationship to the law making branch of government as does the executive in this country, or the executive functioning under British institutions anywhere. The executive in the United States is wholly independent of congress. Being independent where emergency powers are required it is necessary to give to the United States executive many powers which it is not at all necessary to give to an executive under our system of government where the executive is but a committee of the commons, and can obtain from parliament in virtue of its majority any legislation it may want or need.

The president of the United States cannot get the power he requires to deal with emergency conditions by going to the house of representatives and asking for it. He can only obtain what congress is prepared to grant. But my right hon. friend can. With the backing he now has he can come to this House of Commons and to meet a given situation may obtain whatever legislation is required. He may bring parliament together at any time he desires, if it so happens that parliament is not in session. When it is in session he may anticipate a situation and get what he needs in order to meet it. That is a very different state of affairs from the condition obtaining in the United States. I can well understand that in a country where the executive is wholly apart from congress, where no member of the ministry is on the floor of either house or in a position to explain a measure, it may be necessary in dealing with grave situations to have extreme powers given and to trust to their proper use. But that argument does not apply to the situation obtaining in Canada.

It has been said by hon. gentlemen opposite that there are dictators in Europe, and that the whole development on that continent is of a type which entrusts one or two men with complete authority to act quickly. I believe that is the very thing which is going to lead to much destruction throughout the world. I believe that to-day danger signals are being displayed in and sounded from almost every country in Europe, with the exception possibly of Great Britain. Great Britain is the exception because she has held more closely than any of the others to the parliamentary method of dealing with all situations.

I say that these movements for social change cannot be stopped. As a matter of fact we do not want to see them stopped, but we do want to see changes brought about in a way that will make human society a better human society not by methods which may lead to its total destruction. If change comes about without orderly development, or by means, and through channels which British parliamentary institutions through many centuries have helped to ensure as certain to be for the benefit of all, it may have a submerging effect, and men and institutions alike may be swept away before its uncontrolled advance. I could develop that thought at greater length, but I believe I have presented it sufficiently forceably to make my meaning clear to hon. gentlemen opposite. I do believe that this country of Canada, with a parliament fashioned on the model of free British parliamentary institutions, if it will but be true to itself and its heritage, may serve as an example to the nations of the world of how great social and industrial changes, in a period of world upheaval and unrest, can be brought about in the interests of the great body of the people, and without injury to any deserving interest. That is a great opportunity. I believe we can put through in orderly channels, and with the consent of the great body of the people all those measures required to effect far reaching change in the furtherance of human need, social justice and the common good.

Just one further thought in conclusion: it is that the consensus of view, the collective wisdom of the nation as a whole, is what parliament is able to bring to bear upon any great public question. That is a much greater safeguard to personal liberty and progress and to orderly change at a period of transition than is the view of any individual or group of individuals, who may be free to sit apart from parliament altogether, no matter how conscientious, earnest or sincere they may be. It is for this above all other reasons that I appeal to the Prime Minister and his colleagues to withdraw this very subversive and dangerous section.

Mr. BENNETT: Mr. Chairman, the right hon. gentleman was correct when he indicated that I was absent from the chamber when he commenced his address, but as I have listened to it for three years I thoroughly understand what he said before I came in. The only addition to it is the chapter dealing with the powers of President Roosevelt. That is new. There are two or three chapters, however, to which he did not refer. One chapter deals with the position assumed by the executive in the province of British Columbia, and the other deals with the powers assumed by the executive in the province of Alberta. These developments have created a situation far different from that which we have had to meet at any time previously in this house.

I think perhaps the right hon. gentleman puts too strained a construction upon the words "peace, order and good government." Those words appear in section 91 of the British North America Act. And when we asked that the executive be clothed with power to deal with matters affecting the well being of Canada, in addition to any powers contained in the existing statutes, we did so for one purpose, and for one purpose only, namely, to meet any contingency or emergency which might arise, or would not brook delay until the House of Commons could be called together. Is it at all questionable that there have been moments in this country and in all countries when it has been undesirable to wait two weeks, ten days or even seven days before some action should be taken? I shall not traverse the ground I have traversed on previous occasions to point out that, having the authority to avail ourselves of the provisions of the then existing statutes, we were not compelled to wait a week or ten days to take action which we regarded and which subsequent events showed was absolutely necessary in the public interest.

I wholly agree that the world has changed. I wholly agree it will never be as it was before 1914. The causes need not be analysed, but in the end it will be found they are referable to war and what arose from the war. The conditions which we have today are conditions to which probably man's attention is being directed much more carefully than it has ever been directed before. The question as to the unequal distribution of wealth is not new. One of Aristotle's most famous discussions dealt with the question of the unequal distribution of wealth. That happened a great many hundred years ago. The problems connected with social justice are not new. Only a few days ago I was reading something from the life of Lord Shaftesbury, and only the other evening in picking up a biographical history I was struck with the fact that between the years 1850 and 1870 there were conditions in Great Britain to which nothing in our time is comparable. The cause of social justice has made great progress in the last half century, and will continue to make progress. With my limited vision I can foresee that there will be an entire change in connection with the consideration of some of the problems confronting us. But I do say this, that if parliament or the legislature undertakes to substitute the judgment of the commons for that of the people who are charged with the responsibility for the conduct of their business on the ground that they can conduct the business better than the proprietors, it is not very long before the state will have to take over the business itself, because you cannot have it both ways. You cannot say to people, "We are going to conduct your business for you," without leaving yourself open to the reply, "If you can run it better than we can, take it over and pay us for it." That is inevitable if you carry regulation beyond a certain point, and every thinking man must realize it. During the last few days we have had addresses made in this city with respect to socialism and the socialistic attitude of a great populace of one part of the world toward these problems. We are trying as best we can—I know that to some hon. gentlemen opposite it does not appear to amount to much—

Mr. HANBURY: Hear, hear.

Mr. BENNETT: It will compare, however, with anything the hon. gentleman is capable of. That might not be so with respect to all gentlemen opposite but it is so with respect to his case.

I say in all sincerity to the right hon. gentleman that no one seeks this power either

to use it or to abuse it unless the necessity arises for its use. If the necessity should arise and we did not have this power we should have been derelict in our duty if we had not sought it. If the necessity does not arise it is nothing more or less than a measure that is there to protect the people, and not to abuse their liberty, their freedom or their rights. That is all I can usefully say. I am not going to traverse the ground that we have traversed here during the last three and four years. I am not disposed to do so in view of the position taken by the legislature of British Columbia—

Mr. HANBURY: Would the Prime Minister explain that a little bit?

Mr. BENNETT: I am referring to the statute called the Special Powers Act. If the hon. gentleman has read it he will be able to draw his own conclusions from it. It has already been said at least in one instance by those responsible for it that it will enable them to do many things if the occasion arises without calling the legislature together.

Mr. HANBURY: In what way would that affect the federal government?

Mr. BENNETT: It might affect the federal government if the powers given under that act were exercised.

Mr. HANBURY: I cannot see in what way.

Mr. BENNETT: I would not expect the hon. gentleman perhaps to see that. But if anyone will study that act, which in terms delegates to the executive all the legislative power of the assembly of British Columbia, thereby not delegating to but substituting for the assembly, the executive, thereby sweeping out the whole of section 90 of the British North America Act, thereby destroying the right to veto or disallow legislation, thereby destroying the protection given with respect to taxation and with respect to the other matters that are inserted in the statute for the safeguarding of the federal power—

Mr. VENIOT: Might I ask a question? Does not the federal government still retain the power to disallow any act of the legislature if they consider it ultra vires?

Mr. BENNETT: The hon. gentleman has asked a question that is certainly very relevant to the discussion, but he must realize that these are not acts—they are called ordinances—

Mr. VENIOT: I am referring to the act passed by the legislature of British Columbia giving the executive power to pass these orders in council.

Mr. BENNETT: That invitation is one which the attorney general of the province held out for the purpose of showing Ottawa just what he would do to them when the time arises. That is what he held out. It is just because no intelligent executive will at the moment recommend the disallowance of a statute passed for the purpose of having it disallowed, but will leave it in the terms provided by law to be dealt with as the law has provided. There may be ample opportunity to deal with it. Perhaps the hon. gentleman has not seen the speech of Attorney General Sloan.

Mr. VENIOT: I would not need to see it to convince me that the federal power has the right to veto.

Mr. BENNETT: I have not suggested that it has not, but I do suggest to the hon. gentleman that the attorney general was practically inviting the federal power to disallow the act in order that he might have a grievance. The hon. gentleman's courage—

Mr. VENIOT: It has always stood the test.

Mr. BENNETT: I shall not use the word I was going to use, because it might not be parliamentary. No one will deny his courage, but it does arise at very inopportune times for himself.

Mr. VENIOT: No more than yours.

Mr. BENNETT: I would hardly compare my courage with his.

Mr. VENIOT: I would not compare it with the sort of courage you develop.

Mr. BENNETT: The hon. gentleman need not become touchy. I am not comparing my courage with his.

Mr. VENIOT: You are getting touchy.

Mr. BENNETT: We all take off our hats to him and say that his courage merits the high encomiums which he has himself bestowed upon it.

May I proceed to another point? In the province of Alberta there has been passed a law which creates an industrial bureau. It provides for codes, rules of ethics, the fixing of wages, rules for the conduct of business, and names those businesses, wholesale and retail, barbers, printers, and a whole long list of others. It vests in the executive power to set up bureaus to deal with these matters. Now we would be derelict in our duty if we did not at this time provide in this legislation the safeguards that are essential for the purpose of enabling us to protect the business of this country if the necessity arises. But leaving that for the moment, the difficulties

with which we have had to deal we have usually managed to dispose of except in a few cases without reference to this provision of the statute at all. Other provisions of the statute have enabled us to deal with them. There were a few cases in which we had to utilize the provisions with respect to peace, order and good government, but none of those cases had to do with the freedom or the liberty of the subject. They all had to do with what you might call the industrial, financial and economic fabric of our country, and the action that was taken was for the purpose of endeavouring to maintain them in their integrity until parliament should pass the legislation that might be necessary to enable us to deal with them. One illustration that at once flashes upon the memory of most members was when we dealt with the exportation of gold. We had not the legislation to deal with it when the crisis came, and but for this provision relating to peace, order and good government we would not have been able to prevent the exportation of gold. We used the provision in that case. Then later on the minister introduced the act by which power was conferred upon the executive to deal with that matter. There was not very much difference between seeking the power in the first instance under peace, order and good government to pass an order in council prohibiting the exportation of gold, and coming to this parliament later and specifically dealing with it. The power is exercised in both instances in exactly the same way. It is derived from the power granted by this parliament, only instead of granting it by name it is included in this instance under peace, order and good government. I cannot think of all the cases in which it might be desirable to utilize this power, but hence it is that we had recourse to this provision, and we used it in that instance. No other method suggested itself at the moment, and action had to be taken at once. The right hon. gentleman knows that in 1929 his then Minister of Finance sent forty million dollars of gold to the United States. At once Canada was off the gold standard because once having shipped that much specie out of this country we were no onger in a position to meet the requirements of our own statute. The successor of the late Mr. Robb found himself in the position where he was not able to provide the yellow metal to meet the demands made upon the country. He had no statute such as that and he did not desire to deal with it at the moment in parliament. I was then in opposition and I told my party in caucus—I can refer to this now in the same manner as the right hon. gentleman did with respect to another matter some years ago—I asked my supporters to make no reference in parliament or elsewhere to that fact. I am bound to say that they met my wishes and did not do so. I subsequently discussed it with the minister. The fact was that we were without gold to meet the situation and maintain this country upon the gold standard. As I told my friends in caucus, and as actually happened, an enterprising man gathered together half a million dollars of Canadian money and brought it to Montreal where he exchanged it for legal tender. He went around to the receiver general's office and asked for gold for this money. Arrangements had to be made whereby a chartered bank intervened and this request was withdrawn. When England went off the gold standard a Canadian citizen who was more enterprising at the moment than patriotic conceived the happy idea that there was a good deal of money to be made in gold. He converted $50,000 into legal tender and asked for gold. He got gold for the first $50,000, but the government, having the advantage of this statute, were able to pass the requisite order in council by which the exportation of gold was forbidden. This one lot of gold was shipped out of the country the next day. That is only one of the many illustrations which might be given.

Mr. HANBURY: That is provided for now.

Mr. BENNETT: That is provided for at the present moment by legislation but there are other matters that are not.

Mr. HANBURY: What are they?

Mr. BENNETT: It is idle to say, "what are they?" because they arise every day. If I had been asked that question two or three years ago the prohibition against the exportation of gold would not have suggested itself as being a matter which would have to be met. There are many that may arise. I feel inclined to believe with the right hon. gentleman that they will not arise, but believing that they will not arise, I cannot think that the government would be doing other than the proper thing by providing against a contingency which might arise. Caution is the endeavour to foresee and provide against a condition which may arise. There may be the hope that it will not arise but there is the knowledge that it may.

Mr. NEILL: I do not just understand how Mr. Robb met the situation of there being no gold when the house was not in session and having no statute to provide for peace, order and good government.

Mr. BENNETT: He did not meet it; it was never met except in this way: In the last instance the house was in session but it was not regarded as being in the public interest to direct attention to this fact at the moment. Perhaps the hon. gentleman did not hear me, but what happened was that an arrangement was made with the chartered banks, through which the gentleman from the United States was operating, and he was induced to come to another arrangement than that sought to be made. If the holder of the certificates had clung to his opinion it would have been necessary to enact legislation or else face the inevitable consequences.

I have described to hon. members what I conceived to be the cautious method which should be pursued. Many hon. members disagree with the government in its conduct of public affairs, but will they not admit this: that after three and a half years of the greatest depression the world has known we have kept the ship of state upon an even keel, we have maintained the integrity of our institutions, we have abused no power and have deprived no man unjustly of his liberty or his freedom of action. It is easy to charge a man with hypocrisy from the floor of this chamber; it is easy to denounce him as a dictator, but I ask any fairminded hon. member: On the evidence of the world conditions which have confronted us, would you not, if you were similarly situated, not for any personal reason, take such action as might be necessary for the preservation of peace, order and good government in the Dominion of Canada?

If one is permitted to indulge in a few personal remarks, one must say that he sometimes finds it difficult to understand why his fellow countrymen should think that he is actuated by any personal wish or desire with respect to a matter of this kind. What personal interest can I or my colleagues have in this matter? What personal purpose have we to serve in connection with this? I can understand criticism, but do not put it upon the ground that we have a personal desire that this statute should read thus. If I did not believe when it was first put through that it was desirable and in the public interest, why should it be assumed that I put it there? Why should it be assumed that my colleagues would want to have it there? We have no interest beyond the interests of this country. I have no desire to object for a single moment to hon. gentlemen differing with us, but I can only point out that in following the course we are following in asking parliament to confer these powers upon us we are not doing it for any purpose other than an earnest and honest effort to have available as a precautionary measure the power to safeguard the interests of Canada if the occasion arises. That is all.

Much as I would like to, I cannot agree with the suggestion made by the right hon. gentleman. Any thought of the utilization of these powers for electoral purposes does justice neither to himself nor to me. I do not think there is anyone connected with this party who has any desire or thought that this power should be utilized for electoral purposes. The only answer I can make to those who talk in suspicious terms is: Why not be frank about this and admit that there is not an instance which can be pointed to where this power has been abused, that there is not an instance where this power has been used where you yourself would not have used it in the public interest if the necessity had arisen? Because of this and because of the conviction I have that we would be doing the improper thing so far as this country is concerned, I am not prepared to abandon it, much as I would like to meet the views of the right hon. gentleman.

The right hon. gentleman has placed himself freely, frankly and fairly on record with respect to it this year, last year and the year before that. I respect his convictions, but I say that his fears have not been borne out by the results. I challenge any hon. member who will take the time to look into it to say that the power has been abused, the liberty of the subject invaded or his freedom curtailed. He must admit that in every instance subsequent events have shown that the action taken was warranted. This is all I can usefully say in answer to what has been said.

Mr. MACKENZIE KING: The Prime Minister (Mr. Bennett) in answering my criticism has said that I have added nothing to what I said in previous years except my statement about the position of the president of the United States. In that I think he was quite correct, because I have emphasized over and over again the points I made this afternoon. But my right hon. friend did not reply to what I said as to the difference between the necessity of giving great powers to the president in a time of emergency and the British system under which he as Prime Minister can get whatever he wishes in the way of legislation at any time from this House of Commons. That point he has not answered at all, and to my mind it is the very strongest point that can be made, because it indicates the difference between British parliamentary systems of government and the systems of government that

have existed in other countries and particularly, with reference to the subject under discussion, in the United States. I am not going to follow my hon. friend in not replying to him, but I will say, as he said to me, that he has added nothing to what he has said in previous speeches except it be his reference to what has taken place in British Columbia where the government has secured the enactment of the Special Powers Act, and to what has taken place in Alberta in the establishment of a bureau to deal with a number of matters to which the Prime Minister made reference. My first observation, so far as this special legislation is concerned, is that this special powers legislation, to which the Prime Minister has referred, was not known to be in contemplation at the time this statute was drafted for this year.

Mr. BENNETT: The legislation was but not the terms of it.

Mr. MACKENZIE KING: My right hon. friend is quick to grasp at anything that will serve his purpose, and that seems to serve it for the moment. But may I point out to him that what he has said in regard to British Columbia—and I know he takes very strong exception to what that province has done—is the most powerful argument that can be urged in support of what, on behalf of the opposition, I have been saying on this side in the last three or four years. Neither British Columbia nor Alberta nor any other province in Canada would ever have dreamed of permitting its executive to have the power to do whatever it wished, during the period the legislative body was not in session, except for the example set by this government in connection with this very provision respecting peace, order and good government in its relief legislation. That statement is as true as anything could possibly be. It is one of the reasons why, in my opinion, it is important in connection with all legislation for us to see precisely where we are likely to drift as a result of a particular course of action. To my mind the essence of the matter lies in the difference between this practice which is growing up of legislating according to plans as they may present themselves to the minds of individuals and the practice of legislating in accordance with principles as they have found expression in government under parliamentary institutions now for some generations, principles which bear directly upon all that affects all classes in all parts of the country at all times.

Take the position to which the Prime Minister has referred. He says that the government of the province of British Columbia have taken to themselves all the legislative power of the legislature for the period during which the house is not in session.

Mr. BENNETT: Have vested in the executive.

Mr. MACKENZIE KING: Yes. Well, may I say to my right hon. friend, when he asks, that notwithstanding the existence of any law or statute, he and his colleagues may do what they please when parliament is not in session, under this provision with respect to peace, order and good government, which is merely a designation for the absolute power we are being asked to give that they are doing exactly the same thing. The Prime Minister says, as if it were a very slight additional power, "When we ask, in addition to existing legislation"; but that is not the language of the bill, and this is significant. The language of the proposed statute is not, "in addition to existing legislation" but "notwithstanding the provisions of any statute or law," and the difference between "in addition to" and "notwithstanding" is the essence of the whole objection we have to this measure. The whole purport and intention of it is that, notwithstanding the existence of any law or statute on the books of this parliament, this government, when parliament is not in session, may legislate as it pleases by order in council. That, I repeat, is the purpose, no matter how you may try to conceal or glide over it by referring to peace, order and good government; the power which the government seeks is the power to legislate as it pleases, apart from parliament altogether and that notwithstanding any law or statute in existence in the country.

Well, what is the position in Canada to-day? The Prime Minister has directed attention to what has taken place in British Columbia, and he has also pointed to what has occurred or is occurring to-day in Alberta. May I suggest that he might have spoken of what has been done in the province of Saskatchewan. The government there have taken to themselves, away from the legislative assembly, vast powers to do as they please with respect to many matters when the legislature is not in session. The Prime Minister might have gone a step further and referred to the province of Manitoba, and have called attention to the measure which was introduced into the legislature of that province within the last few weeks, a measure containing the provision that all powers which the legislature exercises in regard to property and civil rights should cease to be of force or effect if in any way they conflicted with an enactment that this federal government might pass, which would serve

the purpose of the provincial exeutive—not of the legislative body but of the executive—at a time when the house was not in session. When the Manitoba house came to discuss the matter the government withdrew that particular clause, with the result that it does not form part of the measure since enacted. But it would have been embodied in that measure had it not been that the forum which the legislature provides permitted argument to carry weight and to prevail, rather than that mere force of numbers should succeed in granting the authority necessary to do that particular thing.

There is the situation to-day—all four western provinces imitating the example set by this government have given their executives power to legislate as they please when the legislature is not in session. But why should the tendency stop with these four provinces, if that is to be the new method of dealing with public affairs in Canada? If that method is going to prevail, then we shall probably find the government of Ontario taking a similar course before long, and possibly the government of the province of Quebec, possibly the government of New Brunswick, and the government of Nova Scotia as well. And what shall we have then? Instead of a number of representative assemblies laying down the laws of the country we shall have so many soviets established in different parts of Canada. We have a dictatorship at Ottawa and, if the process extends, we shall have dictatorships as well in different parts of the country—a nice condition to contemplate. I submit that all this is leading this country along entirely wrong lines; it is imitating the worst features of what has taken place in Europe and rejecting the best of what we possess. After all, what is the situation in Europe to-day? We find that little by little one country after another has torpedoed whatever authority its legislative body possessed, and that power has been handed over, in one instance to a Mussolini, in another to a Hitler, in a third to a Stalin, and so on, until we find a group of dictators taking the place of representative bodies in determining what shall be the law and what shall govern the liberties and freedom of the people. And instead of resisting that sort of thing the Prime Minister takes the view that because these countries have done this sort of thing therefore we should do likewise. My reply to him, so far as that is concerned, is this: Because they have done it we should show them that it is not necessary. This the more, because they will have to recede from that position eventually. The world cannot go on being governed in that fashion. Sooner or later these dictatorships will have to end and power to legislate and control, if it is to be exercised for the wellbeing of the many, will have to reside as we of the British tradition boast it does, in the great representative assemblies, to which executives are wholly responsible. For my part, I should like to see this parliament hold its own as a truly representative body which would at all times exercise the collective will in determining what shall be done in the matter of legislation, instead of permitting the will of any individual or group of individuals to prevail, however able and sincere they may be.

Let me assure the Prime Minister frankly that I am not questioning his sincerity or his motive; I do not believe that he intends to use this power in any indefensible way. But I do say that the minute he takes that sort of power to himself and the government, he has set an example and given a reason to the premier of British Columbia, to the premier of Alberta, to the premier of Saskatchewan and to the premier of Manitoba and to all other provincial premiers to do likewise. Those I have mentioned have all followed his example in greater or less degree up to this point and others may very soon do the same.

Now, what position shall we be in when parliament is prorogued? Here is the position to which we have drifted in Canada. We have at Ottawa a government free to do anything it pleases by order in council. In British Columbia there is a government free to do anything it pleases by order in council. If what the Prime Minister has said is true, we have in Alberta a government free to do any thing it pleases by order in council—along certain lines. The same, I believe is, now true also of Saskatchewan and Manitoba. Who is going to know what his liberties are, and how long they are to be preserved? During the session further legislation already brought down will be discussed which will reveal the extent to which we are to be asked to abandon parliamentary institutions, even going the length of delegating to groups unknown at the present time, the right to come together, to enact any measure they please, and further to provide that, once they have determined what specific rules are to govern in an industry, there is not even to be recourse to the courts of the land against what they may lay down as determining factors governing trade and industry. This all simply shows whither we are heading. This tendency to get away altogether from the control of legislative bodies leads inevitably to getting away from the courts as well. One may deride

communism and hurl one's bolts at socialism, but in communism and socialism there is nothing essentially different from that. Communism simply gives to a collective group the right to run things themselves regardless of a body properly representative. Socialism gives to a group the right to manage the business of the country as best they can under autocratic powers; powers that in the last analysis have to be supported by force on a large scale.

Mr. HEAPS: What form of socialism delegates such powers as those which the right hon. gentleman describes?

Mr. MACKENZIE KING: Where socialism undertakes to run the industries of a country, it cannot attempt that, as the Prime Minister said this afternoon, without having bureaucratic powers, without having autocratic powers, without having its efforts supported by force on a tremendous scale. That kind of administration of public affairs is not what is wanted in Canada, or what is needed in any part of the world. What the world needs to-day is, true enough, to have industry controlled, regulated, to have all the conditions under which men and women are to work and earn their livelihood and to live made such that a larger and fuller life will be possible to all and that just relations may be made to prevail in industry and trade and other relations of life. But the way that can be brought about and maintained is by this institution of parliament as we have it to-day where the representatives not of any one class but of the people of all classes and of all parts of the country meet together and, after a full and free discussion of all sides of a situation, decide what is best for all, what is most in the public interest.

Mr. HEAPS: In those countries that have a dictatorship at the present time, was it not the socialist party that was suppressed?

Mr. HANBURY: How about Russia?

Mr. MACKENZIE KING: What my hon. friend has pointed out amounts to this: It is just one autocracy or bureaucracy that has suppressed another. It so happens that in the countries he has in mind the fascists have been a little stronger, and have at the moment more power than the socialists. But imagine the socialists being in control in those communities! What would the position of the rest of the people be under a government exercising the autocratic powers essential to the socialistic state. My contention is that we do not need fascism or communism; what we do need above all is the maintainance of the British system of representative government as we understand it and as it has developed through the years, and to have changes of the social order effected in a constitutional manner through that agency; not the destruction, as would otherwise be inevitable, alike of parliamentary institutions and the social order.

My criticism of this legislation is that it is baneful in the extreme because of the example it sets in matters of government. It is very serious, in my opinion, that this sort of legislation should again appear this year, and that an effort should once more be made to drive it through parliament. That was the reason—and I think the Prime Minister will credit me with sincerity in the position I took—I opposed this legislation so strongly at the outset. If he looks over what I said at the time, he will find that my main criticism was in the nature of the query: Where is this kind of thing taking us? Where are we going? That is the question the people of Canada will be asking themselves very soon in regard to this world revolutionary movement that is influencing this country as well as all others. So far, we have been more fortunate and in a better position than other countries, but with the rapid way in which thought is influencing action and conduct in different parts of the world, if men are going to imitate what is worst and throw out what is best in governmental methods, what hope is there for anyone?

I have said all I intended to say on this section, but I say it with the deepest conviction and out of a fear that so far as Canada is concerned we are at this very time, to use once more a phrase that has been used in another connection, at the parting of the ways. We have to decide whether we shall stand for those institutions that have maintained liberty in the interests of all, and brought about and secured that liberty through their parliament as the palladium of liberty, or whether we are going to cease to have government conducted on a representative and responsible basis and go in for one or other of these extremes, the extreme of communism, on the one hand or of socialism or of fascism on the other.

Mr. HANBURY: Referring to this particular measure, the Prime Minister (Mr. Bennett) gave us the example of British Columbia, but I am frank to admit that I cannot yet see—and I would like to have him enlighten me in the matter— what measures they could adopt there, notwithstanding the latitude they have taken, that would be beyond their powers in so far as the federal government is concerned. The Prime Minister has given as

a particular reason for the necessity of the inclusion of this special feature of the bill, the action already taken by British Columbia and Alberta. I cannot see how they could take any action that would in any way interfere with the rights of this parliament, and I would be glad if the Prime Minister could enlighten me on this point.

Mr. VENIOT: May I ask a question of the Minister of Labour? Under clause 2 the dominion may enter into agreements with any of the provinces respecting relief measures therein. Is it the intention of the department in entering into such agreements to have a regulation insisting upon audit of accounts by the federal authority?

Mr. GORDON: The government at the present time insists upon an audit by the auditor general. As early as the fall of 1930 the matter of audits by the auditor general was taken up with him and his officials. Before this bill goes through I shall spread upon the record the orders in council and the correspondence that passed, but in the fall of 1930 the auditor general certified to the method that should be pursued with respect to auditing those accounts.

Mr. VENIOT: To the provincial governments?

Mr. GORDON: To the Labour department. It developed in 1932 by reason of certain complaints that came to the notice of the Labour department that the course which had been adopted, and which was certified as sufficient for the purpose by the auditor general, was probably not as complete as it should be. Then an order in council was passed in September, 1932 specifically directing the auditor general as to the course that the government desired him to take.

Mr. VENIOT: Did it direct the auditor general to make an audit at that time?

Mr. GORDON: Yes.

Mr. VENIOT: In September, 1932?

Mr. GORDON: Yes, September, 1932. That was again followed by a further order in council elaborating on the first.

Mr. VENIOT: That of the tenth of October?

Mr. GORDON: Yes, I think it was the tenth. However, before the discussion of the bill is finished I will spread the orders in council upon the record so that hon. members will have full knowledge of their contents and of the dates on which they were passed.

Mr. VENIOT: The reason I asked that question was to draw the attention of the minister to what I consider was a lack of care on the part of his department, and perhaps also a lack of care on the part of the branch known as the audit department. Why should the department of the Minister of Labour, or the audit department accept an estimate as a basis for payment of federal aid to New Brunswick, as they did in the matter of stumpage? The province of New Brunswick entered into an agreement with the federal authorities that if they reduced the stumpage charge to the lumbermen of that province in order to encourage operation and give employment to bushmen that winter, the federal government would reimburse the provincial government to a certain extent—I do not remember what the proportion was. When the time came to reimburse the province the Department of Labour accepted a certificate from the provincial government of an estimated stumpage to be paid that year. There is no mistake about it; I have it right here in the auditor's report—that payment was made on a certificate of an estimated amount of $51,556.29. It was found later on, when the auditor general audited the accounts of the province of New Brunswick at this point, that the federal government had overpaid $2,523.12.

Mr. HANSON (York-Sunbury): What was the date of the provincial government's certificate?

Mr. VENIOT: 1932.

Mr. HANSON (York-Sunbury): That is very indefinite. What time of the year?

Mr. VENIOT: If the hon. gentleman wants to get pernickety about it he had better look it up himself. I am drawing the attention of the Minister of Labour to the report of the auditor general of Canada. He is not giving the dates, and I cannot be expected to supply them. I have his report here in my hand. He reported that the federal authority paid their proportion on an estimated certificate by the Department of Lands and Mines of New Brunswick. If that does not show lack of care in handling relief funds I want someone to find a name for it.

Let me give another reason why there should be a careful audit. In the proportion paid by the dominion Department of Labour of the cost of construction of the electric power line from Dalhousie to Jacquet River, also in the county of York-Sunbury, the auditor general's report shows that there was an overpayment of practically $4,000. If a proper audit had been made at the time there would not be the necessity to ask for a refund to-day. The minister will remember that at

the time I drew his attention to these two works, especially the Jacquet River works. I claimed then that the federal government had no right to pay any unemployment relief money for that construction, because the hydro electric commission of New Brunswick had authority to borrow money for that work, which was a revenue producing work. Not only is it bringing revenue, but a surplus over operating expense comes to the treasury of the province of New Brunswick. I pointed out that that money would have been better used to help real unemployment in some other section of New Brunswick. The minister at that time promised me that he would give particular attention to this; that he would look into it. He admitted that if it was a revenue producing enterprise it should not be included in the category in which it was placed. Yet that work went on, and I have yet to learn that the minister carried out the promise he then made that he would look into it.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. VENIOT: When the committee rose at six o'clock I was speaking about stumpage, and the fact that the share of the federal government was paid on estimates submitted by the Department of Lands and Mines of the province of New Brunswick, instead of being paid after the accounts were submitted and the amounts known. I was asked the date to which I was referring, and according to the auditor general's report I find it was May 1, 1932, after logging operations were completed.

I was attempting to show how these accounts could, without proper investigation, be—I was going to use the word cooked, but I do not mean it in that sense—but how these accounts can be made up so as to mislead. For instance, at page 11 of the report of the auditor general I find an item of $41,000 as a bonus for clearing lands. The federal government's share was fifty per cent. Let me explain that long before the depression set in—perhaps a year or two—the government of New Brunswick passed an act in which, in order to encourage the opening up of more lands, they granted a bonus of eight dollars an acre to those farmers who would break up new lands, and who held titles to such lands. The reason the stipulation was made as to titles was to distinguish between the settler on crown lands who had not yet obtained his title, and the established farmer. Under this provincial legislation the established farmer with one hundred acres of land, only forty or fifty acres of which was clear, and who undertook to clear more of his land, received eight dollars an acre. When the depression set in and the federal government decided to aid unemployment by paying a percentage of the costs, the government of New Brunswick transferred this act so that it operated under federal aid. In 1931 fifty per cent of the $41,000 paid in connection with the clearing of this land was paid under the federal aid system and charged to unemployment relief. The federal Department of Labour certified and made the payments.

I suggest that this money could not have been paid as unemployment relief, because the farmers who received the eight dollars per acre were well to do; they did not require any relief in 1931. Prior to the depression years they received this money under legislation of New Brunswick which had for its purpose encouraging the opening up of more lands. Yet we find that fifty per cent of that is charged to and paid by the federal Department of Labour. I am pointing this out not so much to criticize the department but to show how necessary it is that care should be taken and every precaution exercised by the federal Department of Labour to see that the moneys voted by parliament are properly expended and not used for purposes for which they were not intended.

The minister has said that authority was given for an audit. I believe he stated that it was in September, 1933, the government consulted with the audit department and had come to the conclusion that an audit should take place. However, that audit was not made until late in 1933. I should like to know from the minister whether the audit contemplated by the order in council passed in September, 1933, will apply to all works done by the provinces or municipalities to which the federal Department of Labour would contribute, and whether that audit will be made from the date of the adoption of the relief legislation, or rather from the time the work was begun. I wish further to ask the minister whether in connection with laying out public works projects the engineers representing the federal government will have anything to say as to the approval of locations of such projects. The reason I ask that is that the auditor's report I have before me sets forth that the approval of projects given by the federal Department of Labour was so broad that almost any kind of work, even work not contemplated under the agree-

ments, could be included. I know that condition has prevailed. I know that in my own county work was charged up to unemployment relief which could not possibly have come under the federal agreement. Yet hundreds and thousands of dollars were charged up in that way.

Mr. HANSON (York-Sunbury): That is a large statement to make.

Mr. VENIOT: I gave this statement in 1932, before I ever saw the auditor general's report, and from the floor of this house I read into Hansard the names of the roads in question. I do not now intend to tax my memory—

Mr. HANSON (York-Sunbury): The hon. member said "hundreds of thousands."

Mr. VENIOT: I said "hundreds and thousands of dollars." I did not say "hundreds of thousands." The hon. member for York-Sunbury ought to be more careful when he interjects.

Mr. HANSON (York-Sunbury): It sounded very much like "hundreds of thousands," and just about as large as the hon. member's statements usually are.

Mr. VENIOT: If my statements are too large for the hon. member may I say to him that I know some statements I could make which would be considered far larger than those I am making now. I do not think the hon. member has any right to interject; if he has anything to say let him get up and say it after I have finished. If he has any objections to offer to my criticism he has a perfect right to make them at the proper time. I suggest, however, that he should allow me to proceed with what I have to say.

The figures I have given are taken from the reports before me prepared by the auditor general, and I take them to be correct. In fact I know some of them of my own knowledge to be perfectly in order.

Mr. GORDON: I wonder if the hon. member would permit an interjection?

Mr. VENIOT: Certainly.

Mr. GORDON: I have a recollection of the comments that were made by the hon. member with reference to the work to which he is now referring. An officer of the Labour department was sent down to inquire into the work that was going on, and as a matter of fact the federal government did not contribute anything to that work.

Mr. VENIOT: The minister is mistaken. It is true that a gentleman by the name of Carter was sent down, and he reported among other things that the work on the Bathurst and old Miramichi road did not include federal aid. But I have here on my desk a reply to a question that was submitted by an opposition member in the legislature of New Brunswick to the Minister of Public Works of that province, asking for the names of the roads in the county of Gloucester to which the federal government had contributed, and included in those roads, in the answer submitted by the Minister of Public Works for New Brunswick, was this Miramichi road. I read to the house at the time a certified copy of the answer of the Minister of Public Works of New Brunswick.

Mr. GORDON: Quite true, but while that may have appeared in some record in New Brunswick, the fact remains that the federal government did not contribute to that road.

Mr. VENIOT: The federal government did contribute to the Miramichi road. More than that, I have it right here in the auditor general's report under the name of the Eskidillock road. If the minister wants to look at the report I will send it over to him. I know what I am talking about when I am talking of my own county anyway, and I know the facts in regard to other counties if my hon. friend from York-Sunbury (Mr. Hanson) wants to know. I know that in the county of York, represented by the hon. gentleman opposite, the accounts submitted to the Labour department included items for medical care, medicine and dental service, which instead of being charged up under those heads were charged up to food in the city of Fredericton.

Mr. HANSON (York-Sunbury): That is not correct.

Mr. VENIOT: Then the auditor general is a liar.

Mr. HANSON (York-Sunbury): I investigated that statement when I was at home—

Mr. VENIOT: The auditor general is not telling the truth?

Mr. HANSON (York-Sunbury): What happened in the city of Fredericton was that the mayor, one of my hon. friend's friends and a defeated candidate once or twice, and a man who is going to run again I understand, authorized medical relief in the city of Fredericton. When the accounts were gone into the attention of the authorities was called to the matter and the money was refunded by the city of Fredericton.

Mr. VENIOT: The auditor general in this report says that these items were entered as food, and he recommends that the Minister of Labour have the amount refunded.

Mr. HANSON (York-Sunbury): It has been refunded.

Mr. VENIOT: Then my statement is correct, that it was charged up as food.

Mr. HANSON (York-Sunbury): It never was entered as food.

Mr. VENIOT: Then the auditor general lies in this report. I believe the auditor general.

Mr. HANSON (York-Sunbury): I believe the officials of the city of Fredericton who are not here to defend themselves.

Mr. VENIOT: I am not accusing the auditor general, but my hon. friend is. The hon. member for York-Sunbury states that the auditor general has made a mistake when he sets out in his report that this stuff was charged up to food. The hon. member says that that statement is not correct. It is he who is accusing the auditor general, not the hon. member for Gloucester. I am trying to defend the auditor general who is not here to defend himself.

Mr. HANSON (York-Sunbury): Nor are the officials of the city of Fredericton.

Mr. VENIOT: I am not touching the question of the Fredericton officials; I am simply giving the facts as reported by the auditor general. He goes further and says that the same thing was done in the city of Saint John, that medical care and medicine and dental service was charged up to clothing. He states further that clothing collected by the Daughters of the Empire and handed in without any cost to the relief committee in the city of Saint John, given absolutely free, had a price put on it and fifty per cent of that was charged up to federal aid. That is what the auditor general says in his report here; it is not the hon. member for Gloucester who is saying it. If my hon. friend from York-Sunbury will take the trouble to read this report he will find out that every word I have stated is to be found in it, and it ill behooves the hon. gentleman to stand up in this house and say that the auditor general's report is not correct. If the auditor general is making reports to the government and to this house, because he is the servant of this house, that are not correct, he should be impeached. We should not allow an officer to continue in the public service if he is making reports to this house which members can stand up and say are false. The government should look into the matter.

There is another item which I take from the auditor general's report, and perhaps my hon. friend from York-Sunbury will say that this also is not correct. It has been the custom for years—I know it was the practice when I occupied the position of Minister of Public Works in New Brunswick—for the Indian department in the federal government to contribute fifty per cent of the cost of roads constructed across the Indian reserves in the province, the provincial government paying the other fifty per cent. This same practice prevailed in 1932. The Indian department of the federal government paid fifty per cent, or $258, for the construction of a road across the Indian reserve at Church point in Northumberland county. Now what do we find the provincial government doing? They charge their share up to federal aid, and it is paid by the federal Department of Labour; and so the Department of Public Works in New Brunswick gets paid twice for the same work. The auditor general recommends in this report that the forty per cent—I see it is forty per cent, not fifty per cent—that was charged up to the Department of Labour be refunded by the province of New Brunswick.

I think I have shown plainly enough by these items, Mr. Chairman, that it is necessary that an absolutely strict audit be made by the federal department.

Before resuming my seat I wish to refer to a matter which came up this afternoon in a discussion between the hon. member for Kenora-Rainy River (Mr. Heenan) and the Minister of Labour as to the fixing of wages in Ontario. It was stated this afternoon that 25 cents an hour was to be the maximum wage paid under the Ontario government's relief plan for the unemployed, and the question was raised as to what the federal government should pay. Would it not be possible when entering into agreements with the various provinces to provide for the fixing of a uniform maximum or minimum wage? When the road and bridge work was being carried on in 1931 and 1932 to help out unemployment, the wages paid in the various provinces varied considerably. Labour should be worth as much in New Brunswick as it is in Ontario, British Columbia or any other province. The wage paid in New Brunswick was $2.10 per day, with a deduction of 60 cents per day when the man boarded in the road camp. I ask the minister to study this phase of the situation and see if it is not possible to fix a uniform wage in the different provinces.

Coming down to the contribution of the federal government to reimburse the provincial government for the lowering of the stumpage rates, for the making up of the

difference between what would have been collected had the regular stumpage rate applied and what was collected under the reduced rate: In the two years 1931 and 1932 this difference amounted to somewhere around $96,000 or $97,000. Having entered into an agreement with the province to reimburse them for the loss caused by the reduction in stumpage, I should like to ask the minister if he could not see that a corresponding increase is given to the men getting out the lumber. If a corresponding increase is out of the question, I should like to see a minimum wage paid to these men. I think it should be stated that if these men were not paid a reasonable wage, no federal aid would be given. I understand that the provinces are looking into this phase of the matter, and New Brunswick has passed an act to cover it. I was brought to task the other day for not mentioning this fact, but the reason I did not do so was that the act was to come into force upon proclamation; it had not yet been proclaimed, and therefore I did not refer to it as an act in force. I understand that the act has since been proclaimed and a commission appointed, under Judge Grimmer I believe, to look into lumbering operations in the province with a view to seeing that the men receive better treatment than they have in the past. The matter of wages to be paid to the men working in the bush may come up, and I ask the minister, should the question of reimbursing the province for the reduction in stumpage be brought forward, that he make certain that a reasonable wage is fixed before federal aid is granted. It may be said that this government does not desire to interfere with the provincial governments in their operations, but it should be remembered that we are contributing forty or fifty per cent of the difference between the stumpage which would have been collected at the regular rate and that collected under the reduced rate. Under these circumstances we have a perfect right to say to the provincial government that they must assure us that proper treatment in the way of wages and accommodation is given to the men working in the bush and making the profits for the lumbermen.

This is all I have to say at the moment, but I may have further remarks to make on other sections of the bill.

Mr. HANSON (York-Sunbury): Mr. Chairman, I had not intended to intervene in this discussion and probably would not have done so were it not for some wild statements made by the hon. member for Gloucester (Mr. Veniot).

Mr. VENIOT: What right has the hon. gentleman to say that my statements are wild?

Mr. HANSON (York-Sunbury): Some of the mistaken statements.

Mr. VENIOT: He cannot say that either under the rules of this house.

Mr. HANSON (York-Sunbury): I will say, unfounded statements made by the hon. member.

Mr. VENIOT: He cannot say that.

Mr. HANSON (York-Sunbury): I have said it.

Mr. VENIOT: I ask that you withdraw that.

Mr. HANSON (York-Sunbury): I do not think that is unparliamentary.

Mr. VENIOT: It is unparliamentary.

Mr. HANSON (York-Sunbury): If we were not in a position to make statements of that kind in connection with statements made by the hon. member and many others like him who sit around him, we would never be able to contradict a statement. As a matter of fact, I think the remarks made by the hon. member for Gloucester this afternoon and this evening will indicate to hon. members of this committee that there is a general election in the offing in New Brunswick.

Mr. VENIOT: I did not know that. Are you speaking for the government?

Mr. HANSON (York-Sunbury): No, I am not speaking for the government. The hon. member is beginning to lay a foundation for an attack on the provincial government which his friends in the legislature have failed wholly to do during the last session.

Mr. VENIOT: Oh, oh.

Mr. HANSON (York-Sunbury): I have heard other animals make noises like that.

Mr. VENIOT: Mr. Chairman, on a question of privilege: while it is against the rules of the house to apply such a term to an hon. member, may I be permitted to say that I have listened to jackasses braying better than the hon. member.

Mr. HANSON (York-Sunbury): My main reason for taking up a few minutes of the time of the committee is to comment upon two or three references made this afternoon by the hon. gentleman, and to what may be termed a charge of misappropriation of relief funds in New Brunswick. I have not read the report of the auditor general and I do not know what is in it, but I venture to say that his report is simply based upon the statements

made by his officers. During the holidays a statement was given out to the press that there had been misappropriation of funds by the city of Fredericton. Anticipating that this matter would come up, I made it my business during the vacation to interview the relief officer in that city. What happened was this: Under the contracts made between the two governments there was no provision for medical attendance, medicine or dental relief. The mayor of that city, who is a bosom friend of the hon. gentleman and who has suffered at least one defeat in supporting his policy and will probably suffer more—

Mr. VENIOT: No, he will not.

Mr. HANSON (York-Sunbury): This gentleman is a public spirited citizen. He has been mayor of our city for a long time and is a personal friend of mine.

Mr. VENIOT: He will not be after what you say to-night.

Mr. HANSON (York-Sunbury): Who is making this speech?

Mr. VENIOT: I just want to give you an example.

Mr. HANSON (York-Sunbury): Everyone knows that Mr. Clark is a public spirited citizen and has given much of his valuable time to public service. He is not to be condemned if he has political ambitions, although they are not likely to be realized for a long time. What he did was to see that in contributing a measure of relief to the poor and unemployed of Fredericton there should be included medical attendances, medicine and dental relief. In the first instance these were paid for by the city, although that was contrary to the letter of the agreement between the provincial and federal governments. When attention was called to the fact that the city had gone beyond the letter of the contract, the error, if such it may be termed, was immediately rectified and the amount reimbursed to the provincial government. I do not think that even my hon. friend will say that the city of Fredericton did wrong in providing medical and dental relief if necessary, and if it was wrong, then it was a great pleasure for the people of that city to pay it out of their own pockets as taxpayers. Moreover, we will continue to give medical relief so long as the exigencies of the situation call for it.

The hon. gentleman took some exception to the expenditure of unemployment relief moneys in the extension of hydro in the province of New Brunswick, including a part of my constituency. That was an extension of hydro lines in rural communities, work which would never have been undertaken by the commission unless they were getting federal assistance. We have been able to put lines into communities where a hydro line would never pay, where hydro would never have been extended, where the capital cost would not have been warranted, and we have been able to do so because of the contribution made by this government. I wonder if the hon. gentleman will go into York county and condemn that expenditure in the next election.

Mr. VENIOT: I did not condemn it.

Mr. HANSON (York-Sunbury): Then what was the object of mentioning it? Will he go into Jacquet River and condemn the expenditure that was made there? The fact is that the expenditure was a proper one, as was well understood by everyone.

Mr. VENIOT: Certainly it was a proper expenditure.

Mr. HANSON (York-Sunbury): With respect to the reduction of stumpage, I agree that the reduction should have been passed on, as far as reasonably possible, to the men who worked on the project, and I believe that this was done except in a few individual instances. In certain cases, as in all other phases of activity, there will however be always the exception, the man who will queer the pitch, so to speak, and who will not pass on this sort of thing. But as a rule the lumber operators in New Brunswick did pass along the reduction, and if they did not increase wages they increased the number of men employed, granting relief that way. On the whole, by and large, I want to say that unemployment relief in New Brunswick has been carried on in as honest and systematic a way as it has been in any province in Canada, and it ill becomes the hon. member from Gloucester to foul his own nest even in the face of a provincial election. That is what he has done to-night, but it will not get him votes down there; I will tell him that,—

Mr. VENIOT: You will find out after the election.

Mr. HANSON (York-Sunbury):—because they know the hon. gentleman.

Mr. VENIOT: And so is my hon. friend known, not only in York county, but he is known before the barristers' association.

Mr. HANSON (York-Sunbury): That is very nice, isn't it?

Mr. VENIOT: Don't you become personal and I will not.

Mr. HANSON (York-Sunbury): I am not becoming personal; I am speaking as a politician to you.

Mr. VENIOT: I am talking as a politician and a lawyer.

Mr. HANSON (York-Sunbury): I will put my reputation in New Brunswick alongside the hon. gentleman's.

Mr. VENIOT: I have never been condemned by any society I ever belonged to.

Mr. HANSON (York-Sunbury): Perhaps you never belonged to any.

Mr. VENIOT: Yes, just as good societies as the hon. gentleman belongs to.

Mr. HANSON (York-Sunbury): The hon. gentleman was condemned by the electors of New Brunswick.

Mr. VENIOT: I have never had any of my colleagues in politics, opposed to me or for me, condemn me in the way the hon. gentleman was condemned for his action in connection with certain matters in the province of New Brunswick.

Some hon. MEMBERS: Cheap.

The CHAIRMAN (Mr. Gobeil): Order.

Mr. VENIOT: The hon. gentleman got personal and I do not see by what right I should be called down because I am retorting in kind.

The CHAIRMAN (Mr. Gobeil): The discussion is getting away from the amendment.

Mr. VENIOT: Yes, but who brought it on? I did not; the hon. gentleman did, and he is always that way. He is a lawyer and is used to the practice, when a man is defending a bad case, of abusing opposing counsel. That is what he practises. Now, in order to put myself right in the statement I made in connection with the city of Fredericton, let me read what the auditor general says in Annex A, 1:

> Drugs, medical supplies and also medical and dental fees were included as "food" in claims to which the federal government contributed. The irregular claims in this regard should be computed and the necessary refunds made to the federal government.

I would ask the minister whether the refund has been made as suggested by the auditor general.

Mr. GORDON: Adjustments and refunds are being constantly made, and while I have not the figures for this particular item I have no doubt that the refund has been made. Wherever it is found that there has been any departure from the agreement, or some little matter of that kind has perhaps not followed the exact terms of the agreement, we find that on bringing it to the attention of any of the provincial governments adjustments and refunds are made without difficulty.

Mr. VENIOT: I agree with the hon. gentleman and think he is quite correct in stating that when the attention of the provincial government is drawn to any misapplication, if I may use that term, of federal funds, the refund will be made and likely has been made in the past. But that is all the more reason for the stand I take to-night, that there have not been sufficient safeguards surrounding the expenditure of federal aid money, not only in the province of New Brunswick but in other provinces, because it is rife throughout the dominion. I am not attacking only the province of New Brunswick. My hon. friend from York-Sunbury says that I am trying to besmirch the reputation of that province. I am not attempting to besmirch its reputation at all, but I do deprecate the idea of allowing such a misuse of public funds to go on as revealed here in the report of the auditor general. At any rate, I have the courage of my convictions and stand in this house to denounce that sort of thing, and that is more than the hon. member for York-Sunbury can say, because he is scared that in denouncing misdemeanours of that kind he will be reflecting on a government he so loudly praises and to which he is so solidly attached that he cannot see any good in those differing from him in political opinion. That is the only reason that prompts me to expose the matter. I drew the attention of the government to the state of affairs in 1932 and warned them then against certain misdemeanours and certain misappropriations of money, not by the individual who wanted to boodle or graft but by the provinces and municipalities who were using the money in a way in which it should not have been used, so that it did not reach the unemployed whom it should have reached.

Let me give you an instance of how unemployment relief is administered. Here again I wish to impress upon the minister that in making agreements with the different provinces he should be careful to stipulate what agreements these provinces shall make with the municipalities, and that the federal government shall have a word to say as regards the manner in which the municipalities are to distribute federal unemployment relief, instead of leaving it entirely to the provinces to deal with the municipalities. In the example I am going to give I am speaking of a

matter whereof I know. It became the practice in 1932 for them to go to a farmer and say, "You have lumber on your land. There are a lot of people who are too poor to buy wood and we want you to sell to us, the committee in charge of relief in this district, fifty or one hundred cords of wood. We will pay you fifty cents a cord as the wood stands. We will cut it and it will be hauled off your land." The farmer agrees to that and the wood is cut. The wood is not given to be hauled by the individual who really needs it for relief, but teams belonging to independent farmers are engaged to haul that wood at so much a cord. The cost of the wood when it reaches its destination amounts, including the fifty cents stumpage so-called, to $2.50 to $3 a cord to the municipal committee. The municipal committee, instead of distributing that wood to the poor and needy, sells it at so much a cord to some individual who undertakes to sell it to the public. He does not sell it to the unemployed because they have no money to pay for it, but when the municipal committee require wood they go to this individual and pay him $4 a cord for wood that they could have given to the needy person at a cost of $1.50 a cord. The federal government is asked to pay thirty-three and a third per cent of the cost of that class of relief work and the poor individual who is in need of wood does not get it until the municipality buys it back at the rate of $4 a cord from the individual to whom it had sold it at from $2.50 to $3 a cord. There is a great deal of wood needed among the poor people, especially if we have another winter like the one through which we are just passing. This shows that the minister should take particular care to give instructions to the provincial government that the agreements entered into between the provincial government and the municipalities shall, before becoming operative, be submitted to the Minister of Labour at Ottawa for his approval. If that system is adopted, the very misdemeanours, if I may so term them, to which I have just now referred, will be avoided.

Mr. HANSON (York-Sunbury): Where does that occur?

Mr. VENIOT: It occurs; that is all I say.

Mr. HANSON (York-Sunbury): In Gloucester?

Mr. VENIOT: No, it occurs in York.

Mr. GORDON: Perhaps at this juncture I might make some observations about the method that was pursued by the Department of Labour in connection with the disbursement of unemployment relief funds. It may be recalled that in 1922 we had a similar sort of situation to that experienced in 1930, and the then government outlined a plan of assistance from the federal government to the provinces. This will be revealed in an order in council dated January 25, 1922, P.C. 191. I will ask the consent of the committee to have this order in council spread upon the record. It reads:

P.C. 191

Certified copy of a report of the committee of the privy council, approved by His Excellency the Governor General on the 25th January, 1922.

Privy Council
Canada

The committee of the privy council have had before them a report, dated 25th January, 1922, from the Prime Minister submitting the following observations with reference to the order in council of 7th October, 1921 (P.C. 3831), respecting unemployment relief.

1. The present administration, assuming office at the close of the year 1921, finds that a condition of unemployment beginning in the late months of 1920 and continuing throughout the year 1921 does not promise any material abatement during the early winter months of 1922.

2. Consideration has been given to the means which would seem best adapted to the relief of the distress resulting from severe unemployment conditions, and the provisions to this end of P.C. 3831 have been carefully noted.

3. The minister concurs in the view that the question of unemployment relief is fundamentally a municipal and provincial responsibility; that the abnormal economic and industrial conditions now existing and arising in a measure out of the late war alone afford justification for action on the part of the federal authorities; that federal action must therefore supplement municipal and provincial efforts, must be designed on lines permitting close and effective co-operation with and supervision by municipal and provincial authorities, and must be proportioned by the efforts of those authorities.

4. That municipal undertakings in the nature of public works are important factors in meeting unemployment conditions, but such undertakings cannot be proceeded with during the winter months save at a considerably increased cost, which is in many cases beyond the financial resources of the municipalities.

5. That, having these various points in mind, it is desirable that federal employment assistance and unemployment relief should be granted on the following basis:

(a) In the case of public works undertaken by a municipality during the winter months and specially with a view to the relief of unemployment in the district, the municipality will bear the normal cost and the federal government will bear one-half of the extra cost incurred by the prosecution of the work during the winter season, the estimate of the normal cost to be approved by officers of the federal Department of Public Works; the federal grant to be conditional on the province assuming responsibility for one-third of such excess expenditure.

(b) That where work cannot be provided, the federal government will refund to a municipality one-third of the disbursements made on account of unemployment relief, disbursed to others than those specified in paragraph (d) following and conditional on the participation on an equal basis by the province concerned.

(c) That where in certain provinces there are unorganized districts without municipal government in which unemployment or distress exists and the provincial government finds it necessary to administer a system of unemployment or distress relief, the federal government will reimburse the provincial government concerned to the extent of one-half of such disbursements for relief and for the administration of the unemployment or distress relief policy in the district.

(d) That in the case of unemployed former members of the Canadian or British forces, now in Canada, discharged as physically fit or not entitled to assistance by the Department of Soldiers' Civil Re-Establishment. the federal government will reimburse the municipal authorities to the extent of one-half the disbursements made for unemployment relief, the remaining quota to be contributed in equal parts by the province and municipality respectively.

6. It is to be noted that these regulations do not seek to meet the case of disabled members of the Canadian overseas forces and other classes of returned soldiers which fall within the jurisdiction of regulations administered by the Department of Soldiers' Civil Re-establishment; or of persons (where such exist) whose necessities do not clearly arise from inability to secure employment and with whose necessities the municipal authorities have been accustomed to deal.

7. It is the expectation of the federal authorities that the provisions herein will be interpreted broadly and generously by the municipalities and the provinces so that no resident of Canada willing and able to work and unable to secure employment shall lack food, clothing or shelter for himself or herself and dependants.

8. These provisions to continue in effect until the close of the present fiscal year.

The committee concur in the foregoing observations and recommendations and submit the same for approval accordingly.

(Sgd.) Rodolphe Boudreau,
Clerk of the Privy Council.

I would call particular attention to paragraph 7. Perhaps it will be remembered that the hon. gentleman (Mr. Veniot) who has just spoken, was a member of the government at that time.

Mr. VENIOT: I did not catch that. What was it?

Mr. GORDON: This was an order in council passed by the federal government on January 25, 1922. In order that proper safeguards might be thrown around the contribution of federal moneys under that order in council, the auditor general was consulted in the matter and he adopted a form of certificate wherein the municipal treasurer, the minister of labour or his deputy and the provincial treasurer would certify to the expenditure. With the consent of the committee I would like to have that certificate spread upon Hansard for the information of the members. It is as follows:

Form D 3
Civilian

The Dominion Government
In account with
The municipality of.. .. ..
Month.. .. .. ..192..

To unemployment relief disbursed by municipality:—
Number of applicants (married) given relief..
Number of dependants given relief.. .. .. ..
Number of applicants (single) given relief.. ..
Total expenditure for relief disbursed by municipality between the period beginning .. .. .., 192.. and ending.. .. .., 192..
$.. .. ..

(Substantiated by certificates "B" or statement of account filed at the Ontario Department of Labour.)
One-third payable by dominion government
$.. .. ..

I hereby certify that the above amount was expended as stated, and solely for the relief of distress due to unemployment, and in accordance with the terms of the agreement between the municipality of.. .. ..and the federal and provincial governments.

.. ..
.. ..
Municipal Treasurer

I hereby certify that I have checked the above relief certificates and believe that payments have been made as stated, and in accordance with the agreement between the municipality of.. .. .. and the federal and provincial governments, and recommend that payment be made by the Ontario government.

.. ..
Minister of Labour

.. ..
Deputy

I hereby certify that the government of Ontario has made payment of the sum of $.. .. .. in settlement of the amount due from the province under the terms of the agreement respecting unemployment relief between the municipality of.. .. .. and the provincial and federal governments.
Date.. .. ..

.. ..
Provincial Treasurer

This account when certified by the provincial treasurer to be forwarded to the Department of Labour, Ottawa.

Mr. VENIOT: The minister stated that I was a member of the government in 1922. I was not.

Mr. GORDON: I thought the hon. member was a member of the government of New Brunswick.

Mr. VENIOT: I was a member of the government of New Brunswick in 1922. I thought the minister spoke of the federal government.

Mr. GORDON: The federal government under this order in council to which I have just made reference, and following the practice laid down by the auditor general at that time as disclosed in the certificate, disbursed to the provinces and to the municipalities moneys from the dominion treasury.

In 1930 after the passage of the first relief act the same question arose and the method to be employed was discussed by the director of unemployment relief with the auditor general. A form of certificate much more restrictive than the one which was employed in 1922 was adopted by the auditor general, and I would ask the consent of the committee to have this certificate spread upon Hansard. It is as follows:

(Crest)
Canada
Department of Labour
Unemployment Relief Act, 1930
Certificate of expenditure under section 8 of regulations (P.C. 2246)

The undersigned hereby certify that the amount of $ .. ..dollars .. ..cents is due to the province of .. .. by the dominion government in respect of (A).. .. ..

and broadly speaking the administration of the moneys of the taxpayers, municipal, provincial and federal, has been free from any sort of pilfering or looting such as suggested by some hon. members.

However, a time came when certain irregularities appeared, and the attention of the auditor general was drawn to them. It came to a head with respect to Port Alfred in Chicoutimi county. The director of unemployment relief notified the auditor general that he thought it desirable that a further investigation, outside of the then prevailing practice, should take place with respect to that municipality and some others that seemed to be in a similar condition. Now what happened? Apart perhaps from a test audit, nothing was done until September, 1932, when order in council P.C. 2163 was passed by the executive. With the leave of the committee I would like to put this upon the record. In giving directions to the auditor general the order in council states:

In view of the foregoing,—

That is, after reciting the necessity for further audit.

—the minister recommends that the auditor general be authorized to conduct such audit of provincial accounts, in connection with unemployment relief expenditures, as he deems essential to safeguard the interests of the dominion treasury;

Then further on:

The minister further recommends that the auditor general be authorized to investigate the provincial systems of auditing municipal relief accounts, to the end that the dominion government may be satisfied that the municipal accounts put forward by the provinces are in accordance with the agreements entered into between the dominion government and the provinces.

That order in council was assented to on September 30, 1932. After the passage of that order in council the Labour department again called the attention of the auditor general to the necessity of carrying out the directions therein contained. I ask that the order in council be incorporated into the record, which order reads as follows:

The Relief Act, 1932
P.C. 2163

Certified to be a true copy of minute of a meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 30th September, 1932.

The Committee of the Privy Council have had before them a report, dated 27th September, 1932, from the Minister of Labour, submitting as follows:

1. That parliament has enacted legislation dealing with relief which may be cited as

The Unemployment Relief Act, 1930,

The Unemployment and Farm Relief Act, 1931,

The Unemployment and Farm Relief Continuance Act, 1931,

The Relief Act, 1932.

2. That the auditor general has had a survey made in the offices of the Ontario government at Toronto, of the accounts, records, etc., of payments made to the province of Ontario under the agreements entered into under the provisions of the Unemployment and Farm Relief Act, 1931, and has advised the minister that his investigations indicate:

(a) The province does not receive sufficient proof of payments made under the act by municipalities.

(b) The province relies almost entirely upon the good faith of the officers of the municipalities for assurance that claims are made only for expenditures properly chargeable against the dominion.

(c) It appears that claims have already been presented and payments made thereon which may be open to question.

(d) In the case of expenditure where the proportion payable by the municipality is collected from private sources, the municipality is thereby exempt from payment of any portion of such expenditure.

3. That under date of April 20, 1932, the auditor general advised the minister that accounts submitted for payment based on agreements with the provinces under the Unemployment and Farm Relief Act, 1931, were in the approved form, certified by authorized officers of the provincial governments and officers of the Department of Labour, who passed them for payment after examination, and that this procedure was considered a sufficient safeguard for the payment of the federal government's share of the expenditure, and for that reason the auditor general was justified in taking no exception to the general principles under which the accounts were administered nor "until recently of the ultimate effects of certain interpretations of the regulations under which the moneys voted were to be paid."

4. That under date of July 4, 1932, the auditor general has submitted a report made by his officers dated June 27, 1932, being the result of an investigation made of the accounts and records of the Saskatchewan relief commission at Regina, and that in this report it is stated "The test audit made by me does not relieve the Department of Labour from making the detailed audit called for by Section 54 of the Consolidated Revenue and Audit Act, Chapter 178, R.S. 1927."

5. That under date of August 2, 1932, the auditor general has submitted a report dated July 30, 1932, being an investigation of unemployment relief payments in the province of Saskatchewan made outside of the area administered by the Relief Commission, or which were made in Saskatchewan prior to the date of the inception of the commission (August 25, 1931), the period covered by the test audit being from October 10, 1930 (the date on which the relief agreement under authority of the Unemployment Relief Act, 1930, was signed) to April 30, 1932.

6. That at a conference between the minister, the auditor general and the commissioner of unemployment relief on September 6, 1932, the auditor general maintained that the Dominion government was responsible for the auditing of

the provincial government's accounts but was of the view that the auditing of municipal accounts was the responsibility of the provinces.

7. That clause 6 of the agreements entered into with the provinces under the Unemployment and Farm Relief Act, 1931, provided that "The dominion shall pay to the province for remittance to any municipality such proportion of the cost of construction of municipal works and undertakings carried out to provide work for the unemployed as may be agreed upon between the province and the dominion. . . ."

8. That the auditor general has interpreted clause 6 of the agreements referred to in the preceding paragraph to exclude municipal works and undertakings if the municipality charge any part of the costs to persons or properties directly benefited and has suggested that a test audit be made "If the department cannot assure this office that no such amounts are included in the claims, and that they have checked the claims at the point of issue."

9. That clause 1 of the agreements entered into with the provinces under the Unemployment and Farm Relief Act, 1931, provides that "the dominion shall pay to the province for remittance to any municipality within the provincial territory such proportion of the expenditures of the municipality for direct relief . . . . as may be agreed upon between the province and the dominion."

10. That the auditor general has interpreted clause 1 of the agreement referred to in the preceding paragraph so as to exclude contribution in cases where the municipal contribution or part of the municipal contribution is provided by "private" subscription, including in this expression contributions made by local organizations, such as the Red Cross society.

11. That the form of certificate to be rendered by the province in connection with the submission of relief expenditures was submitted to the auditor general on October 29, 1930, and that the auditor general under date of November 5, 1930, stated "In reply to your letter of October 29, enclosing a form of certificate which it is proposed to send to the various provinces to be filled in as indicated thereon, with the particulars of all projects undertaken by the various provinces and municipalities claiming aid from the federal government under the Unemployment Relief Act, 1930, I am of opinion that if the particulars asked for thereon are carefully prepared and signed by the appropriate provincial officers, the information thus provided will be sufficient for my purpose."

12. That with only minor modifications made necessary by difference in arrangements with the provinces, similar forms of certificate continued to be received from the provinces under the Unemployment and Farm Relief Act, 1931, and The Relief Act, 1932, and that such certificates, with their supporting statements of accounts, have been submitted to the auditor general and have been, since the inception of the unemployment relief branch of the Department of Labour, accepted by the auditor general; and that in due course cheques to the various provinces have been issued with the counter signature of the auditor general's representative.

13. That as a result of the auditor general's advice on November 5, 1930, that the certificates proposed would be sufficient for his purposes, it has not been deemed necessary to carry out any audit of the provincial and municipal records, and the audit of the unemployment relief branch has been confined to the checking of certified accounts as received from the provinces.

14. That the unemployment relief branch has relied upon the auditor general for any necessary additional audit as the staff of the branch does not include personnel necessary to carry out an audit in the field.

In view of the foregoing, the minister recommends that the auditor general be authorized to conduct such audit of provincial accounts, in connection with unemployment relief expenditures, as he deems essential to safeguard the interests of the dominion treasury;

And that the commissioner of unemployment relief and the auditor general be authorized to accept from the provinces accounts rendered under clause 6 of the agreements under the Unemployment and Farm Relief Act, 1931, and to provide for dominion contributions to such accounts irrespective of whether such accounts cover what are known as local improvement works to which the local proprietors will eventually contribute, or otherwise;

And that, further, the commissioner of unemployment relief and the auditor general be authorized to accept accounts from the provinces under clause 1 of the agreements entered into under the Unemployment and Farm Relief Act, 1931, and to pass for payment the accounts for the dominion contribution to the expenditures reported by the provinces as having been made by the municipality, including in such municipal expenditures amounts voluntarily contributed by individuals, business firms, or associations, to the municipality, providing that such amounts have been utilized solely for relief purposes, and have been expended under the jurisdiction of the municipal authorities; and provided that such funds have not been raised by arbitrary deductions from wages payable to those engaged on relief work.

The minister further recomends that the auditor general be authorized to investigate the provincial systems of auditing municipal relief accounts, to the end that the dominion government may be satisfied that the municipal accounts put forward by the provinces are in accordance with the agreements entered into between the dominion government and the provinces.

The committee concur in the foregoing recommendations and submit the same for approval.

(Sgd.) E. J. Lemaire,
Clerk of the Privy Council.

Then, on May 31, 1933, the dominion director of unemployment relief received this letter from the auditor general:

Re: Port Alfred, Chicoutimi County

I have your letter of May 22, in which you request that I audit the accounts of relief expenditures rendered by the province in respect to the town of Port Alfred, and informing me that you are placing the municipality on the "stop-payment" list until such time as I report on the audit.

When I requested my chief investigator to inform you that my representatives were about to continue their investigations in Quebec, I had in mind that if there was some particular municipality that you thought should be investigated, I would include it among those which, in due course, I intended to examine.

Port Alfred might be one of these municipalities. Under present conditions, however, would it not be advisable to have the provincial auditor make a special local audit of the accounts of that municipality and report thereon before further federal payment may be made?

Bear in mind that this letter is dated May 31, 1933; the first order in council was in September, 1932, and this is the answer that comes from the auditor general to the Labour department. The letter continues:

That audits of certain municipalities should be made at your specific request, and that the making of payments should be contingent upon my report, would not only interfere with the independent functioning of the audit office, but might possibly work a hardship on the municipality concerned.

You will understand that, in the circumstances, I cannot assume the obligation of making an immediate audit of the municipality named.

Yours very truly,
Geo. Gonthier,
Auditor General.

That letter was directed to the dominion commissioner of unemployment relief and was referred to me; and in answer to it I wrote to the auditor general on June 7, 1933, in the following terms:

Re: Port Alfred, Chicoutimi County, P.Q.

The dominion commissioner of unemployment relief has brought to my attention his communication to you regarding the above, dated May 22, also your reply of May 31.

I observe that it is your view that the making of audits of certain municipalities at the request of this department would interfere with the independent functioning of the audit office and in your opinion "might possibly work a hardship on the municipality concerned."

I understand from the commissioner's letter of May 22, that your representative informed him that you were proceeding with an audit of accounts in certain municipalities and that you would like to have the names of municipalities suggested to you by the commissioner, whose views on this point would naturally be helpful, and I understand that it was in accordance with this request and in the spirit of cooperation that the commissioner suggested that an audit be carried out of the municipal accounts at Port Alfred.

I cannot agree that the submission of the name of this or any other municipality to you in reply to your request would interfere with the "independent functioning of the audit office," nor can I conceive why it could "possibly work a hardship on the municipality concerned." Indeed I would assume that your first concern would be for the interests of the federal government rather than for the municipality.

I observe your statement that in the circumstances you cannot assume the obligation of making an immediate audit of the municipality named. I do not know what circumstances you refer to other than that you refuse to make the audit because the commissioner has suggested it. As I have above stated, the suggestion was made at the request of your representative, and an audit which may be necessary should not be omitted because in your opinion it might possibly work a hardship on the municipality concerned, or for any other reason that I am aware of.

Yours truly,
W. A. Gordon,
Minister of Labour.

Then there is a reply dated June 23, 1933, from the auditor general. It is addressed to myself, and is as follows:

I am in receipt of your letter of June 6 regarding the audit of relief expenditure and of another of the 7th received in this office on the 19th, with special reference to the municipality of Port Alfred, P.Q.

I am naturally anxious to avoid any misunderstanding which might arise out of informal conversations and correspondence concerning the audit of a class of expenditure having its own special problems of administration and control. In the circumstances, and in order to avoid any doubt as to my intentions concerning cooperation, I am making a broad review of the whole question after which I shall write to you at greater length.

I sincerely hope that it may be possible to arrive at an acceptable solution of our problems consistent with the designedly limited duties and responsibilities of the auditor general as defined by statute and with the administrative limitations under which this office has been labouring for some time past.

Assuring you of my desire to assist in any way possible in coping with the great difficulties arising out of the administration of unemployment relief.

I am,
Yours faithfully,
(Sgd.) Geo. Gonthier,
Auditor General.

On June 28, 1933, I replied to that letter in these terms:

I am in receipt of your letter of June 23 and note your anxiety to avoid any misunderstanding which might arise out of informal conversations and correspondence concerning the audit of relief expenditures. I must confess I do not altogether grasp what misunderstanding you have in mind which might occur in this regard. To my mind there would appear to be no ambiguity or ground for doubt as to the duties and obligations which devolve upon yourself and staff in this matter.

The terms of P.C. 2163 of September 30, 1932, are clear and devoid of any ambiguity. It contains specific instructions provided for in section 62 (g) of The Consolidated Revenue and Audit Act, being chapter 178 of the R.S.C. 1927, from which I quote as follows:

"The auditor general shall examine and audit, if required so to do by the Minister of Finance, and in accordance with any regulations which are prescribed for his guidance in that behalf by the treasury board, . . .

(g) any other public accounts which, . . . the treasury board directs him to examine and audit."

The disbursements under the consecutive relief acts having reached such proportions

made it necessary, in the judgment of myself and colleagues, to pass the said order in council in which we have set out specific instructions to yourself as auditor general. From that order in council I quote two clauses, of which I am confident you have already taken full cognizance:

"The minister recommends that the auditor general be authorized to conduct such audit of provincial accounts, in connection with unemployment relief expenditures, as he deems essential to safeguard the interests of the dominion treasury."

"The minister further recommends that the auditor general be authorized to investigate the provincial systems of auditing municipal relief accounts to the end that the dominion government may be satisfied that the municipal accounts put forward by the provinces are in accordance with the agreements entered into between the government and the provinces."

There can be no doubt as to the government's intent contained in these instructions, and I am at a complete loss to understand why there can exist in your mind any lack of comprehension as to their import. They call for you to conduct such audit of provincial accounts as you deem essential to safeguard the interests of the dominion treasury. These instructions were given you in September, 1932, and now, nine months later, you advise the dominion commissioner that, owing to certain embarrassments which you fear it might cause some of the municipalities, you are loath to take the necessary steps by way of audit which would carry out those instructions.

With great diffidence and great reluctance I am compelled to state that your department has not complied with the expressed intention of the government in a matter of very vital and national importance. Ministers of the crown, particularly at a time like this, must of necessity rely upon the various departments of government which are charged with the responsibility of seeing that the policies of the government are carried out, and there is no department which should be more astute to recognize the necessity of activity, and be more zealous in its activity, than that of the auditor general, when the federal government is making contributions in vast sums out of the federal treasury to the provinces of Canada, who with their creatures, the municipalities, alone are the agents to expend the money so contributed.

I write this letter, as I have above stated, with the greatest reluctance but, in the light of our previous interviews and correspondence and the attitude you have taken, I am regretfully forced to the conclusion that you either are not seized of the national importance of conducting your audit in accordance with the instructions of the government as contained in P.C. 2163, or that you entertain views with respect to the same which are in conflict with the spirit and terms of the order in council, and have decided to adopt a course of your own fashioning.

Yours very truly,
W. A. Gordon.

Mr. GRAY: What was the reply from the auditor general?

Mr. GORDON: I do not believe there was a reply. This is the order in council to which the right hon. leader of the opposition (Mr. Mackenzie King) made reference on March 26 last. On that occasion he made statements, probably not with a desire to misrepresent in any way but purely through inadvertence. From his observations it would seem that action by the Dominion government was taken only on March 12, 1934. As a matter of fact action had been taken in the fall of 1930, and in each succeeding month the closest sort of check was made, as I have indicated.

Mr. MACKENZIE KING: The fall of 1930?

Mr. GORDON: Yes, 1930.

Mr. MACKENZIE KING: Does the minister mean 1932?

Mr. GORDON: No, 1930.

Mr. GRAY: What is the date of the letter the minister has just read?

Mr. GORDON: The letters I have read will appear in Hansard.

Mr. GRAY: I should like to have the date, so that we may follow what is now being said.

Mr. GORDON: The last letter I read was dated June 28, 1933. When the right hon. gentleman opposite was speaking on March 26 last no doubt he believed that the first action taken by the government was taken on March 12, 1934. However, if one reads the order in council a little more carefully he will not labour under that misapprehension. It is as follows:

Whereas the Relief Act, 1932, empowers the governor general in council, notwithstanding the provisions of any statute of law, inter alia, to enter into agreements with any of the provinces respecting relief measures therein, and also (in addition to such relief and other measures specified in the said act), to take all such other measures as might be deemed necessary or advisable for carrying out the provisions of the said act;

And whereas agreements having been entered into with the various provinces of Canada respecting relief measures therein under the authority of the Relief Act, 1932, and other measures of relief undertaken under the antecedent legislation respecting unemployment relief and need having arisen in consequence for the conduct of audits of provincial accounts relating to relief expenditures and the investigation of the provincial system of auditing municipal relief accounts, it was directed by order in council, dated September 30, 1932 (P.C. 2163), passed under the authority of the Relief Act, 1932, that:

Then it goes on to embody in the order in council of March 12, 1934, what was recited in the order in council passed over two years before. So if the right hon. leader of the opposition in making his observations a few

nights ago had gone through the order in council passed on March 12 he would have seen there a clear and distinct reference to the earlier order in council to which I have made reference, and would not have fallen into the error which he did.

I do not want to detain the members of the committee but I want to say in fairness to the municipalities, in fairness to the provinces, in fairness to the Labour department and in fairness to the taxpayers of this country, that the federal Labour department has taken every reasonable step to see that the moneys provided by the taxpayers were applied for the purposes for which parliament enabled this government to make the moneys available. If the suggestion that the treasury has been looted goes out to the taxpayers it only adds to their anxieties, and I could not therefore refrain from shortly spreading on the record just what the situation is. I can only repeat that if there was looting then every little village council, every town and city council, every provincial government and the federal government are all looters together. I do not think anyone would care to subscribe to any such idea as that. I think, Mr. Chairman, that the members of this committee should have this record spread on Hansard in order that anxieties that may have arisen in the minds of the taxpayers of this country should be allayed to the extent at least that these official records disclose that the government has endeavoured to have audits made from the very beginning right down to date of such a kind and character as were approved of, as they were, by the auditor general.

Mr. MACKENZIE KING: After listening to what the minister has said I feel pretty sure that one is not wide of the mark in saying that it is a case of endeavouring to lock the door after the horse has been stolen. It is all very well for the minister to come along to-day and say, "We asked the auditor general to do this and that," when at the time these original agreements were being entered into the Prime Minister himself said on three or more occasions in this house, in answering the opposition when we were advocating the auditing of the accounts, that it would be an insult to ask the governments of the provinces to permit the accounts to be audited. I think the minister heard my statement the other day but perhaps the Prime Minister was not in when I read what the Prime Minister said at that time. His words were quite distinct. For example, at page 173 of Hansard of 1930 the Prime Minister is reported as having said:

> Are we to be told, because two or three members of this house stand up and complain of a provincial legislature that therefore we are to insult that legislature by saying that we are to deal with their affairs and not our own? Are we to mind our business or their business?

And at page 175 the Prime Minister is reported as having said:

> I will look further into the suggestion made by the leader of the opposition—

That was that great care should be taken to see that the accounts were audited.

> —but I cannot conceive how, under our constitution, any self respecting province would expect the dominion government to place upon it what I regard as an unenviable and unnecessary insult by saying:

This was the proposal in the form of a section that I had suggested should be included in any agreement made with the provinces:

> Where any moneys are expended under this act by way of contribution to provinces, municipalities or other bodies, the auditor general shall audit the expenditure made by the province, municipality or other body, and shall report thereon to parliament within thirty days after the commencement of the next session.

That was the clause which we suggested should go into the bill relating to the expenditure of public moneys for purposes of relief, and the Prime Minister himself said that it would be an insult to the provinces to insert any such clause. Again at page 164 the Prime Minister said:

> This parliament has no jurisdiction to interfere with the provinces and the municipalities in the expenditure of their moneys. If that were made a condition I think it would be regarded by the provinces as an insult.

As I pointed out at the time it was federal moneys that were referred to, not the moneys of the municipalities or the provinces, but money going out of the federal treasury, and the government could attach to the expenditure of that money any condition it pleased. It would not have interfered with the powers of the provinces or of the municipalities in the slightest degree. They did not have to take our money. It was, however, our duty to the public who had to pay the shot to see that with respect to any money to be spent there were adequate audits. I venture this prediction, that in the agreements which the minister entered into with the provinces it is not specifically set out that every dollar of public money from the federal treasury to be spent for purposes of relief shall be audited by a federal auditor. The minister reads correspondence between himself and the auditor general which took place after several millions of public moneys had been expended—

Mr. GORDON: No, it started in November 1930.

Mr. MACKENZIE KING: A great deal of money had been spent, as the minister well knows, within the very first year.

Mr. BENNETT: This was November, 1930.

Mr. MACKENZIE KING: After beginning to spend the money.

Mr. BENNETT: That is when we settled it with the auditor.

Mr. MACKENZIE KING: Did the minister settle it with the provinces?

Mr. BENNETT: Yes.

Mr. MACKENZIE KING: And with the municipalities?

Mr. BENNETT: No.

Mr. MACKENZIE KING: That is the point. It was public money and it was the business of my right hon. friend and his colleagues in spending federal money to see that every bit of expenditure was audited down to the last payment. But as I say the minister reads correspondence with the auditor general asking him to do certain things which, with the staff he had, I presume it would have been to some extent physically impossible for the auditor general to do. What should have been done, as we suggested from the very first, was that the expenditure of these millions of dollars, now over one hundred million, should have been entrusted to a national commission which would have exercised careful supervision and none had auditors who would have reported to parliament. Then we should have had proper auditing.

To begin with, to expect the minister's department to deal with this whole question of unemployment relief was a mistake. The department was established to carry on business in a normal way in normal times, and there has never been, despite its increases, the staff necessary to begin to handle unemployment relief. The first Minister of Labour, as hon. members recall, worked as conscientiously as any minister could have done to carry out his duties, and with what result? He broke down completely and is now no longer here. It was impossible from the first that any minister could take on the task he did with the staff he had and attempt to do it satisfactorily, with due regard for the public interest. The mistake made was that the government did not at the outset grasp the significance of the unemployment problem. If they did, they never took the steps necessary to see that relief was properly administered. When next the Prime Minister made the statement that it would be an insult to the provinces to expect to have any auditing done, it was in the public mind inviting the expectation of the freest kind of distribution of public funds. It was not until after this that the minister corresponded with the auditor general and sought to put an impossible task upon him. The fact that the auditor general even by a cursory visit of his officials to different communities had no difficulty in unearthing the evidence which he did of waste on a colossal scale is conclusive proof of the inadequacy of the measures taken by the government, and the fact that such waste was possible at all can only reflect on the administration because they alone are responsible for it.

Mr. BENNETT: I am very grateful for this opportunity to deal with this situation. The right hon. gentleman would have us believe that his anxiety for the public interest is so great that he must cry aloud to high heaven that money has been wasted and that the taxpayer has been defrauded. He practically charges theft against the provincial and municipal authorities. Let us see what are the facts. In 1930 when he suggested in this chamber that adequate provision was not being made to safeguard the public interest with respect to expenditures to which the dominion was contributing, we declined absolutely to deal with municipalities. There was no point of contact between the municipalities and this government except through the provincial governments. At that time we did not undertake by agreement or otherwise to do other than make a contribution to expenditures by the provincial authorities. When it was suggested that we should audit the accounts of the provinces I said that they being autonomous units, that would be little short of an insult. I had high authority for saying that. In 1922 the right hon. gentleman had to deal with the problem and he passed an order in council in which he pointed out the difficulties of the situation. I hold in my hand the form of certificate which was settled upon by his government, not with the provinces but with the municipalities to whom contributions were made. That certificate was to be signed by the municipal treasurer and, what minister does the committee think? It was not a commission, it was not a denial of responsible government; oh, no, we are going to have responsible government when we are in power, and have it through our ministers. But when

we are in opposition we want a commission and thereby destroy the theory of responsible government. That is the view of the right hon. gentleman. The Minister of Labour, the Honourable Mr. Murdock, was to certify and the treasurer of the municipality was to sign. There is the form under which the provincial auditor then gave his certificate and our auditor paid.

I was so impressed with what was said in 1930 that before I left for England I gave certain instructions as to how I thought the matter should be looked after. The late Senator Robertson sought, through his deputy to safeguard the federal treasury in his dealings with the auditor general and the preparation of the provisions of the agreements which were made. In the correspondence we find a letter written by the auditor general to Mr. Ward. I ask the committee to note the date of this letter. It was dated November 5, 1930, before any considerable money had been spent. The letter reads in part:

In reply to your letter of the 29th ultimo—

It will be observed that that was October—

—enclosing a form of certificate which it is proposed to send to the various provinces to be filled in as indicated thereon with the particulars of all projects undertaken by the various provinces and municipalities claiming aid from the federal government under the Unemployment Relief Act, 1930, 21 George V, chapter 1, I am of opinion that if the particulars asked for thereon are carefully prepared and signed by the appropriate provincial officers, the information thus provided will be sufficient for my purposes.

Pursuant to that a form of certificate was prepared in the fall of 1930 to meet the situation. This certificate reads:

(Crest)
Canada
Department of Labour
Unemployment Relief Act, 1930
Certificate of expenditure under section 8 of regulations (P.C. 2246)

The undersigned hereby certify that the amount of $ .. ..dollars .. ..cents is due to the province of .. .. by the dominion government in respect of (A).. .. ..

ister, not being able to get the certificates he was looking for for his own safety and the safety of the government, took it up with the auditor general, the person with whom he should take it up. I ask any hon. member to read that correspondence and tell the committee what he thinks of it. The auditor general was fearful that it might involve difficulty with the municipalities but he was reminded by the minister that his duty was to the dominion taxpayer and not to the municipality. That is what we complained of. Everything that could be done was done for the purpose of having the federal official appointed by law do his duty and protect the taxpayer in accordance with the terms of a certificate with which he said he was satisfied. He replied that he was fearful that it might involve difficulties with the municipalities.

Mr. GRAY: He is a servant of this house.

Mr. BENNETT: Exactly.

Mr. GRAY: Why was it not brought to the attention of the house before?

Mr. BENNETT: It has been; the papers have been laid on the table. If the hon. gentleman will read them he will see exactly what they indicate. I have no quarrel with the auditor general but I have a quarrel with an official who, when asked for his views, outlines the method by which the work should be done and when it is done in accordance therewith and he is asked, re-asked and asked again to put this matter in such shape as will not leave any doubt, then files what he calls an audit and says that the officials of the municipalities and provinces are really thieves. That is his suggestion. I say that you have no right to say that the mayor of Fredericton, New Brunswick is a wrongdoer because he devoted a portion of the money which he expended to medical relief and then asked the dominion to pay a share. As soon as it was pointed out that that was wrong, he undid it. It is as wrong as it possibly could be to make that assertion.

The check which is being carried on in connection with these accounts by the minister and his department has been for the purpose of inducing the auditor general to do his duty. It is a nice mess that we have to face when the auditor general, over whom the government has no control, through these test audits and letters which he wrote, has made it appear that the government has failed in its duty when, in fact, the government has continued to ask him to do his duty and he has failed to do it.

Mr. STEWART (Edmonton): Did the right hon. gentleman not state in the house that it was not the duty of the government to have an audit of the provincial and municipal accounts?

Mr. BENNETT: That was not the kind of agreement.

Mr. STEWART (Edmonton): If the formula that my hon. friend has read was followed, I cannot see anything particularly wrong with it. If the auditor should proceed against the will of the government, as expressed by the Prime Minister in the House of Commons, it would be a curious state o affairs.

Mr. BENNETT: That is his duty when he thinks he is right.

Mr. STEWART (Edmonton): My right hon. friend is straining the point to a very considerable degree to-night.

Mr. BENNETT: I am not. I say, it is his duty.

Mr. STEWART (Edmonton): That is my impression and I am entitled to it.

Mr. BENNETT: It is wholly wrong for the Prime Minister or any other minister to interfere with the auditor general, and I have made it my duty not to interfere with or to suggest to him what he should do, and the correspondence, if it is desired, will prove that conclusively. The Minister of Labour, in the submission he made to him with the approval of the government, indicates clearly the position which he took, namely, that you cannot blow hot and cold, that you cannot tell us what course to pursue one day and, when we pursue it, say it is wrong. If there is anything wrong in connection with this the wrong rests with the auditor general of Canada and not with us. What is more, when in 1930 I made the statement I did, it was a correct statement and one which I would repeat; but in consequence of the character of the agreements that were made, and the extension of our activities in the finding of money for direct relief and for work in the municipalities, we believed that it was desirable that the auditor general should exercise closer supervision. In consequence—I will say frankly—of what the right hon. gentleman said in 1930, I wondered if my view of this situation could by any possible chance be in error and if you will refer to what he did in 1922 under similar circumstances and compare his agreement with this, you will see in our certificate safeguards for the dominion which were not dreamed of in the certificate of 1922. His account was with the municipalities; ours was not, for we dealt

with the provinces. We insisted upon their auditor giving a certificate that the money indicated had been spent and that the municipality had made its contribution, whereupon our obligation arose, under the agreement, to make our contribution in accordance with the terms of that agreement, which we did.

I have no reason to believe that the auditors of the various provinces are not honest men; I have no reason to believe that the certificates which they certify to as being correct are bogus certificates. But I am asked to believe that these certificates, signed as they are by the auditors of the respective provinces, are fraudulent. That is what I am asked to believe to-night and I decline to believe it. That errors may have arisen would be expected in an expenditure so vast, and wherever they have been detected and any injury has been suffered by the exchequer of Canada the wrong has been undone and the remedy made by the action of the provinces themselves. Now, those are the facts. Talk about locking the door after the horse is stolen! Why, it was the very fear I had, in consequence of the way in which the right hon. gentleman had spoken, that before I left these shores in October I asked that the Minister of Labour should give this matter more than ordinary attention, and the form of certificate as compared with the certificate issued in 1922, indicates the extent and character of the real care that was taken to prevent any difficulties arising on that score. And I say now, test audits or no test audits, that I do not believe that in the city of Fredericton, the mayor of which is a gentleman of the high character of Mr. Clark, or in any municipality in this country there has been a deliberate effort on the part of anyone to gouge the dominion taxpayer. I do not believe that the auditor of the province of Quebec or of Ontario or of Prince Edward Island or of New Brunswick or of Nova Scotia or the western provinces would sign a certificate for the purpose of fraudulently taking money from the dominion taxpayers, and that is what I am asked to believe; for there is the certificate, the form of which is such that if the auditor general felt that i was insufficient his duty was to point out to us wherein it might be changed. The hon. member for West Lambton (Mr. Gray) asks. why did I feel that there was any possible difficulty about this and that the auditor general should give it further attention. I will tell him why.

Mr. GRAY: A guilty conscience.

Mr. BENNETT: That is unworthy of the hon. gentleman.

Mr. GRAY: I withdraw it.

Mr. BENNETT: Thank you. If he will ask me the reason why I will tell him at once. It is this. I was hearing stories—sometimes one would pick up a newspaper so indicating—that municipalities were trying to take what they should not out of the federal government. I was asked to agree to certain expenditures in connection with medical attention, to which the hon. member for Gloucester referred.

Mr. GRAY: We had evidence of it in our own province of Ontario.

Mr. BENNETT: Then I saw, too, criminal prosecutions taken, but these were prosecutions not involving our money in the first instance but involving provincial and municipal funds; because two dollars would be stolen—if you use that word with respect to it—from the provincial government and the municipality before one could be stolen from us. In other words, we had the assurance, the greatest assurance in our judgment, that in addition to the certificate of the auditor, fraud involved the depriving of the municipality of its funds and the province of its before our share could be taken.

Mr. NEILL: Not necessarily.

Mr. BENNETT: Yes, under the agreement.

Mr. NEILL: The province could pad the dominion rolls without paying out anything improper as against itself.

Mr. BENNETT: That is the point exactly, and that is what the certificate points out, that the money must have been expended before our share was paid. So that before there could be any fraud practised against the dominion there must also be fraud practised against the province and the municipality. And if we took the certificate of the provincial auditor, and he in turn took the authority of the proper officer of the municipality, we had three safeguards: (1) This certificate, which is No. 1 so far as we are concerned; (2) The signature of the provincial auditor; and (3) The certificate given by the proper officer of the province pledging the fame and good name and reputation and honour of the province to the validity and justice of the claim.

Now I submit to the committee that inasmuch as it would be asking the dominion auditor to audit the accounts of all municipalities and provinces it would be putting

upon him—and I repeat what I said in 1930—a burden which is not contemplated by the constitution; for all that he would have to be sure of would be the expenditure of our money. Now our money was not spent like other money. Our money was to be paid to the province to reimburse the province for expenditures actually made by them, or the municipalities, the creatures of the provinces; and when a certificate in that form was produced, certified to by an auditor, with the good name and fair reputation of the province behind it, the province itself signing, then I submit that this is the greatest possible safeguard you could have. And if test audits showed that the precautions taken by the auditor general to secure the Dominion of Canada's taxpayers from exploitation were inadequate, why did he not respond with some sort of suggestion in answer to all the inquiries made of him? That is my objection. There is the record, and he who runs may read.

We have no apology nor excuse to offer—neither one nor the other. In 1930, as soon as the act came into force, we took up with the dominion auditor, appointed by statute, not amenable to any government, the method that should be pursued for the purpose of safeguarding the public treasury against exploitation. The contributions made by the dominion were made not for the purpose of getting vouchers for work done here and there, but as contributions to work undertaken by the provinces and municipalities in discharging their constitutional duties. In every instance the papers that came in were checked and rechecked by the Department of Labour just as in 1922 for services of a similar character the checking was done by the late administration. When the documents were so checked, supported by the vouchers and by the certificates of the auditor of the province and an officer speaking for the good name, honour and reputation of the province, we felt safe. What is more, if it subsequently develops that there have been overpayments, we know quite well that there will be no difficulty in having such overpayments refunded because the security that comes to us by reason of the name of the province being attached to the document as well as the check of the auditor general renders it impossible for this country to be defrauded of a single cent, and every cent that investigation or audit indicates has been paid in excess of what is right, just and proper under the terms of the agreement, will be reimbursed to the treasury of Canada. About that there need be no possible doubt. In the meantime we anxiously await some suggestion from the auditor general, for whom it is very easy to produce the result of a test audit here or there; but with respect to the tens of millions of dollars that have been expended it will be found on analysis and investigation that the cases in which wrongdoing has been done wilfully or purposely by auditors of provinces, meaning that they must be parties to a conspiracy to defraud the taxpayers of Canada, or by municipalities, meaning that mayors of towns and cities have aided and abetted conspiracies for the purpose of defrauding the public, are very few, for I have no more right to assume that an auditor of a province or the mayor or chief magistrate of a municipality is derelict in his duty or fraudulently inclined or given to conspiracy than I would have that any dominion official under similar circumstances is not similarly inclined.

Mr. MACKENZIE KING: The Prime Minister has apparently at last wakened up to the fact that the treasury has been looted and is doing his utmost to load the blame on to the shoulders of the auditor general, an officer of parliament who is not here to speak for himself.

Mr. BENNETT: He is to appear before the Senate to-morrow.

Mr. MACKENZIE KING: I need not go further than my right hon. friend's own words this evening to show where the full responsibility rests. He has admitted that there has been need for more in the way of auditing and that money has been wasted.

Mr. BENNETT: I deny that statement positively.

Mr. MACKENZIE KING: My right hon. friend does not admit it even yet.

Mr. BENNETT: No.

Mr. MACKENZIE KING: Perhaps he will give the house a special committee to investigate the expenditures of these moneys, and particularly the charge that the auditor general is responsible for what has occurred. We shall then have the whole matter investigated and find out where and how the public moneys have gone. If this is done, I venture to say that it will be one of the most shocking stories with which the country has ever been faced.

Mr. BENNETT: There will be no "valley of humiliation" so far as we are concerned.

Mr. MACKENZIE KING: If the Prime Minister will kindly retain his seat while I am speaking, I shall be much obliged. I just

wish to repeat that we need not go further than what the Prime Minister has said to-night to make quite clear where the whole responsibility rests for any overexpenditure or waste or stealing of public money there has been in connection with this $100,000,000 that has been voted for purposes of relief. In this regard it is important to bear in mind that the statement which the minister laid on the table the other day indicates that the sum of $110,000,000 has been spent out of the public treasury for the purposes of relief, distributed in the different ways the minister has described.

Mr. GORDON: That was in four years.

Mr. MACKENZIE KING: Yes, in four years by this government since it came into office. In addition to that there have been loans to the provinces amounting to $52,000,000 and guarantees of one kind or another to the extent of $111,000,000, making altogether something like $274,000,000 which this government has either spent or loaned or guaranteed in connection with unemployment relief. What does the Prime Minister say to-night? I took his words down at the time; he said: "We did not agree to deal with the municipalities." Whose fault was that? Was that the fault of the auditor general, or was it the responsibility of the Prime Minister and his government? Why did they not agree to deal with the municipalities?

Mr. BENNETT: Because it is improper.

Mr. MACKENZIE KING: Now my right hon. friend says: We did not do it because a previous government did not do it.

Mr. BENNETT: I did not say that. The right hon. gentleman is wrong. Because the memorandum produced a moment ago was a receipt by a municipality I said that we did not deal with municipalities because it was improper to do so.

Mr. MACKENZIE KING: I disagree entirely with the Prime Minister when he says that it would have been improper to do so. The government could deal with anybody it pleased, in any way it pleased. It was its duty in such a situation to see that the right method was taken to protect the public treasury. The Prime Minister said: We discovered there were certain certificates which were given by the provinces, which were accepted by a previous administration as evidence that the money given to the municipality was properly spent. He exhibited a photostat copy of a provincial certificate and said: Ours was like that, seeking to have it appear that in following the previous administration they were doing all that could properly be expected of them.

What were the facts in regard to the action taken by the previous administration? After the great war, when soldiers were being reestablished in civil life, large numbers of men were unemployed and the municipalities and provinces found it impossible to obtain occupations for many who were coming back from overseas. The then federal government, not the late Liberal government, but the previous Conservative or Unionist administration, followed by the Conservative administration of the Right Hon. Arthur Meighen, undertook to aid the provinces in assisting the municipalities in finding work for the unemployed, and adopted a system of voting sums of money as grants in aid to those provinces to further public works to enable unemployed to be put to work. When the change of government took place in December, 1921, we were faced with having to carry on this relief which had been introduced by the previous administration and we were unable to adopt a different system while the period of the fiscal year remained what it was. But as leader of the government of the day, I at once intimated to the provinces that we intended to discontinue this practice as soon as possible and that we felt the time had come when the provinces, if the municipalities needed aid, should find the ways and means themselves. I always took the position that if a province found that its business was in such shape that it could not meet its demands in relation to the needs of the municipalities, then the federal government would be ready to come to the assistance of that province, but without the province so stating in the first instance, we would expect the municipalities and the provinces to look after their own unemployed. What happened? In a very short time, instead of more and more money being paid out of the federal treasury on unemployment relief, payments ceased altogether, and during the ten years from the time that the Conservative administration started this system of paying out public money from the federal treasury to assist the provinces to help the municipalities, there was not a total of $2,000,000 spent. That was the position when the present administration took office. During the period we were in office the amount that was spent from the federal treasury was only a part of this; I am speaking from memory on that point, but I know that over the whole ten years the amount did not come to $2,000,000.

What took place at the time of the change of government? My right hon. friend in the campaign of 1930 stated in all parts of the country that the problem of unemployment

in Canada was such that it was no longer merely a municipal problem, no longer a provincial problem; he said it was a national problem, and that if he were returned to power he was going to deal with it as a national problem and was going to call a special session of parliament for that purpose. Parliament was summoned to meet in September, 1930, to deal with the problem of unemployment. My right hon. friend brought in his measure of unemployment relief. What did he ask this house to do? To give him $2,000,000? No. He asked the house to vote him $20,000,000 for the purpose of unemployment relief. But, he said, in connection with this unemployment relief we are not going to ask for any audit of the accounts; we are going to pay this money over to the provinces, and when we get the receipt of the province that is all we shall expect. That is what he said to the country; that is what people in all parts of the dominion understood—that the federal government would have fulfilled its obligation when it voted sums of money and turned them over to the provinces and obtained the certificate of the province indicating that the money had been received and properly dealt with. I said at the time to the Prime Minister that the problem was a totally different one from what it had been theretofore; that we were facing a very critical situation, a depression likely to last for several years, and that it was advisable that at the outset he adopt measures which would ensure careful supervision and federal control over federal moneys. The Prime Minister says he asked the opposition to cooperate, and I then made the concrete suggestion that I have read to the committee to-night. The Prime Minister's reply was that to adopt such a course would be an insult. I said to the Prime Minister—I have not the words before me, but they will be found in the 1930 Hansard—that he would rue the day that he refused to provide for any kind of federal supervision over the expenditure of federal moneys. That day has now come. But it has not come to the extent that it is coming, with respect to this vast waste in the expenditure of public money.

Let me recall another instance to make clear what was said at the time. Knowing something about the Department of Labour and the extent to which it was equipped to carry on its own business without having additional obligations thrust upon it, I suggested to the Prime Minister that neither the Department of Labour nor any other department of government could begin to deal with the great national problem of unemployment as part of its ordinary routine business. I pointed out that the Department of Labour was not equipped for it; that its business was to carry on the work of the Industrial Disputes Investigation Act and of the Combines Investigation Act, to prepare for publication the Labour Gazette, and so on; that the time of every man of the staff and of the minister was already fully occupied, and that the situation was wholly analogous to what had arisen during the war when additional obligations were thrown on certain departments. I begged him to adopt the same policy with respect to unemployment relief as was adopted by the war administration with respect to the problems then arising, in setting up the food board, the imperial munitions board, the fuel board; and I suggested that in regard to unemployment relief we should have a national commission, just as in war time we had the national patriotic fund organization, broadly representative of the interests of capital and the interests of labour and organizations such as chambers of commerce and boards of trade, the Salvation Army, the National Council of Women, the Red Cross, and the like, that have to do with these great questions. I suggested that a representative body of that kind should be formed, given power under act of parliament, and made responsible to the government through the Minister of Labour for the way in which this relief should be carried out, coordinating the work of the provinces and the municipalities. But that idea was scoffed at. I pointed out further that that was precisely what was done by the government of the day with respect to one relatively small matter that arose during the war, namely the disaster at Halifax, when an explosion took place which destroyed a considerable amount of property and human life. In dealing with that disaster the government of the day did not leave it to a department to administer the sums of relief money involved, they appointed a relief commission for the purpose. That outlay was properly audited; every dollar was traced; the commission did its work satisfactorily. I suggested that if that was advisable in regard to the relatively small expenditure there involved, surely when we were faced with a great national problem involving the whole of Canada, one which might continue for a series of years, something of the kind ought to have been done. What was the answer? The answer was: The two things were not parallel; we were told a true parallel was to be found in what was done when Canada gave money to the Japanese at the time of the earthquake in that country. What we did

then, it was pointed out, was to send the money to Japan through the auditor general's department; the auditor general was to get a certificate from the Japanese government that the money had been spent for the purpose for which it was sent, and it was not our business to look further into the matter to see how Japan had spent the money. A certificate from the Japanese government was all that was necessary. The Prime Minister said: That is what we are going to do with regard to the provinces. We propose to give them this money, to get their receipt in due form that the money has gone for the purpose for which it was intended, and that is as far as we are going to look. The auditor general, like every one else, was doubtless led to believe that that was all that he was to look into, and that I imagine is why the auditor general has taken the stand he has taken.

Mr. BENNETT: That is not what he said.

Mr. MACKENZIE KING: It was said on the floor of the house by the Prime Minister himself that what the government intended was to see that a certificate was given by the governments of the provinces that they had received the money from the auditor general's department, and that these moneys had been properly spent, and that the auditor's functions did not go beyond that. That is all on record; we do not have to go into any secret correspondence or interviews that none of us have heard of until to-night to discover what the policy of the government was. It was stated on the floor of the house, and in the words that I have given. It was stated again to-night by the Prime Minister himself when he said: We did not agree to deal with municipalities. Do you wonder, then, Mr. Chairman, that the auditor general, after the Prime Minister may have reversed in secret, as he says he did, the attitude that he took in public, and gave the auditor general certain instructions, that the auditor general might feel that he could not go beyond what the Prime Minister had stated to parliament itself was all he was expected to do? Parliament had voted these moneys as moneys to be paid simply to the provinces. It was not the fault of the auditor general that the money was to go only to the provinces and as stated by the Prime Minister not to be traced any further.

The position we on this side took was that with relation to the expenditure of public money the government should be responsible to the last cent, responsible no matter where these moneys went, or whether or not they were mixed up with the moneys of the provinces or the municipalities. The government cannot get away from that at the present time. That was the whole cause of the battle at the beginning and has been in every session since—the government seeking to relieve itself of responsibility by saying: We are dealing only with the provinces; we have nothing to do with the municipalities. If that is the ground they have taken from the outset, which they now take, they cannot blame the auditor general for not going further. They say: We have never dealt with municipalities; we are dealing only with provinces. No wonder the auditor general replies that he should not be interfering in municipal affairs. Nevertheless as a servant of parliament it is the duty of the auditor general to the extent that he may find it possible and deem it necessary, to see where federal moneys are going, and evidently he has done his duty by making a few tests of different municipalities, with results that to-day are only too well known in all parts of the country.

No; the mistake is this, and it is wholly the responsibility of the government, that the government itself, while it assumed office on the distinct understanding that it intended to make the problem of unemployment relief a national problem and to deal with it as such, the moment it came into office reversed that position and said: We will not regard this as a national problem; we propose to regard it as a matter for the provinces and the municipalities, and it is the business of the provinces not our business to look after how moneys may be spent by municipalities. The government washed its hands of the whole business and just issued the cheques. That is the situation; no exception can be taken to the accurancy of what I have said. It is for that reason and that only that we have the shameful situation that is gradually coming to be known to the public to-day. I say to the Minister of Labour I do not believe that in any of the agreements he has had with the provinces he has included the clause that the auditor general of Canada should have the right and that it would be his duty or that of his officers to follow the expenditure of moneys to the last payment, and that the receipts would be expected from recipients of public money indicating the fact that money had been duly received by them, and that the federal government was giving this money only on one condition, namely, that it was to go for the support of those who are out of employment, and for them only; that it was not to go for the purchase of supplies, or for the payment of expenses of administration or towards materials used by contractors, or to replace

federal or provincial outlays, but that it was to go simply for the relief of actual unemployment. I say that without that specific agreement with the provinces we could not expect anything else.

The Prime Minister has said to-night, "I believe the municipalities are honest; I believe the provinces are honest;" and so on. This afternoon the minister read us a statement about something which was supposed to be happening in British Columbia. He said, "Is this not the kind of thing common to both sides?" It was the very fact that everyone knew, human nature being what it is, that it was necessary to take the position which hon. members on this side took at the very outset with respect to the manner in which the expenditure of these public moneys was to be safeguarded. To tell the country that every dollar that the federal government was going to expend would be spent without any audit, so far as the federal treasury was concerned, was to invite all the kind of thing which is to be found in connection with officials who deal with public funds in a loose way. To hand over federal moneys raised by one body through taxation to be spent by other bodies having nothing to do with the raising of such moneys is fundamentally wrong in principle. That is another position which hon. members on this side asserted very strongly.

I should have concluded what I had begun to say a minute ago about the amount of money the government asked for at the first session. I have said that in the ten years preceding that session the total required towards the assistance of provinces and municipalities in connection with unemployment relief did not amount to $2,000,000. But the Prime Minister at the special session asked for $20,000,000 to extend over a period of only six months, namely, until the following March. I said to him at the time that he was asking for a sum of money far greater than he would require, and I believe he found difficulty in expending this large sum,—I know he did. But what did he do next session? He took another step which was inviting a still greater waste of public money. He took the step which the minister is now proposing to repeat and against which we protested on the occasion to which I am referring. On that occasion, he said. "We will not ask for any special amount, but will make our demands unlimited. In other words, we will ask for a blank cheque, and issue all the money we please." Knowing human nature I wonder if we could expect that the public money would be other than wasted when the government said, "Give us a blank cheque; we will not be satisfied with any fixed amount; we want power to spend all that we please," and when in addition the Prime Minister announced there would be no audit by the auditor general, because such audit would be an insult to the provinces.

It would be ridiculous not to expect the very thing that has happened. At each session hon. members on this side have drawn attention to the vicious character of that type of legislation, namely, of voting sums of money without any control by parliament or by its servants over the expenditures of those moneys. We have now before us only the fringe of what may be expected if an investigation into these matters is gone into. I say that after the Prime Minister's statement to-night about the auditor general, he owes it to this parliament to have a public investigation into the whole question of the expenditure of relief moneys, so as to give the auditor general a chance to come before hon. members of this house and explain his position. In that way we may be able to find out from the provinces, the municipalities and others just how this money has been spent, and why it was spent in the manner I have described.

This matter cannot be covered up by the government simply saying we adopted a certificate used by a previous administration. I pointed out that in taking office in 1921 the Liberal administration merely completed part of the work which had been undertaken by a previous administration, a work of assisting provinces and municipalities to re-establish men from overseas in positions of civil life. But we never adopted any emergency legislation such as this, which has now run for four years. If to-day the Prime Minister holds up a certificate and states, "This is what we have done; this is the certificate." I say it is not sufficient and it is not what should have been done to protect the public treasury.

I believe what has been said to-night gives the opposition more justification than ever, when we reach the clause in the bill which asks again for a blank cheque, to ask that the clause be amended, to read, "such sums of money as may be appropriated by this parliament." Those sums should be appropriated by parliament in specific terms, and we should expect them to be audited by the auditor general. And, similarly, I believe we have reason to expect the administration to meet the requests which we have been making as strongly as we could make them, namely, that this power now being sought to give to the government the power to pass under the heading of peace, order and good government any

order in council it pleases, should be dropped from the bill. That is the section we are now discussing, and I hope the minister even yet will see his way clear to delete the section.

Mr. BENNETT: I wonder if the right hon. gentleman will explain why he dealt with old age pensions just on the basis he did. I have had more scandals brought to my attention in connection with old age pensions than I have had in connection with the whole of unemployment relief. And he fathered it. Why? Why did he hand over all these moneys to the provinces? Why? Why did he not ask that there should be an audit such as he now asks for in these matters, at a time when he dealt with old age pensions? What are the frauds? What are the frauds that people are making? What about a man standing in a bank in western Canada during the last twenty-four months and finding a person cashing an old age pension cheque with one hand and cutting off coupons with the other? Why can the right hon. gentleman not be consistent? Why have we not a little of that milk of human kindness of which you so often talk? I say to the right hon. gentleman: why did he and his ministers and his government put forward the old age pensions in the form in which they did? Remember this, that the reason given now by the right hon. gentleman and his supporters was a reason which I thought was a fairly good one, that every time there was fraud, half of it fell upon the province. Now it would be seventy-five per cent against the dominion and twenty-five per cent against the province.

I just say in answer to everything that has been said to-night with respect to the administration in these matters that the reason we did not deal with the municipalities is that they are the creatures of the legislatures, and the contact between the federal government and the provincial government or outside institutions is with the provincial government. And every dollar, as it is claimed, and has been said in this house, that has been taken from the federal taxpayer means that two dollars were taken from the provincial or municipal taxpayer. Is that not some safeguard? Should it not be some safeguard? In view of what the right hon. gentleman has said, I cannot set up a committee to-morrow morning with regard to this matter, for as I observed the auditor general has to appear before a committee in another place for the purpose of making his statement with respect to public expenditures. And until that is complied with, I think it is sufficient for the moment. I see that he is to be examined by the Senate committee of which Senator Robinson is the head, touching public expenditures. It is all right, you see, when you start it, when it is on your initiative; but it is all wrong when we start it. We took steps that were never taken by our predecessors to safeguard the expenditures. But to say that there is a great scandal behind all this is a reflection on the honour and honesty of Canadians. It may well be that Canadians, as was said to-night, have been prosecuted for fraud in taking relief, but did hon. gentlemen observe that it was not fraud against the dominion, but fraud against the province or against the municipality? There is not a case in which there was any allegation of fraud against the dominion, because we did not deal with them individually. We dealt with the province, and if a province has defrauded us we will get the money back. To say that the Dominion government should follow down every individual payment by a province for relief directly or otherwise, I simply say I do not believe that would be the thought of any intelligent person engaged in any business. The local authorities, the municipalities first, and then the provinces, must deal with them.

I want to be perfectly frank and say that when the right hon. gentleman with his experience of nine years as Prime Minister made the statement that he did in 1930, I merely made my observations as a business man that I believed that if we had the certificates of the auditors of the provinces that would be ample for me, and that we should not follow the money into the hands of the provinces because these were grants in aid; and the statute so says. The right hon. gentleman himself so stated long prior to 1930.

I put this single consideration before the committee: Making as we believed adequate provision for the safeguarding of the expenditures of these moneys in the hands of the provinces, with a form of certificate which went at least three steps further than the former certificate to safeguard the federal treasury, and with the approval of the auditor general, I must say that after reading of these prosecutions I became very much concerned about the situation. The right hon. gentleman had had nine years of experience as Prime Minister, while I was speaking more from business experience; and when the house had risen, we had a gathering of the cabinet next morning—we were up all night—and I did request with all the earnestness I could that extraordinary care be taken to see that we would get the certificates so that we could feel safe with respect to the expenditures. The certificate will appear in Hansard to-morrow and

will indicate I think that it is the safeguard that any ordinary business man would take with respect to matters of this kind.

I do still say to the members of this committee that no federal government can undertake to guarantee the honesty of every individual receiving relief. A case of fraud in obtaining a pension came up at Regina the other day. It was one of the earliest pensions, yet it was found that assistance had been given to a mother because of the loss of a child, and it turned out that she had some $12,000 although she had alleged that hers was a case of poverty. I saw it only in the newspapers, as I suppose other hon. gentlemen did. Steps were taken to have the money refunded to the crown. You have cases of that kind, and cases innumerable that I might mention in connection with old age pensions and other matters. But when we put into the hands of the provincial authority our proportion of the moneys under the agreement, and the provincial auditor certifies that the expenditures have been made and that the municipalities have complied with their obligations, then I do submit that if there has been fraud or irregularities we will get it out of the provinces; we will keep it out of any moneys that may be coming to them. There need be no question about that.

It is all right to say that the auditor general cannot speak for himself, but he seems to be able to write for himself, and after a few test audits, if under these circumstances he has made no answer to the request that was made by the Minister of Labour for the purpose of having the matter dealt with, what is the reason. Why did he make the observation he did about Port Alfred, that it might embarrass the municipality if he was asked to do it? I have a right to know; I do not know, and no one can get it from him.

When it is suggested that the auditor general took his cue from what might have been said in this parliament, the answer is that he was asked if a form of certificate prepared in exactly the opposite sense was satisfactory or not, and he replied, not indeed immediately but after taking some time, that it was satisfactory. Let us be fair about this matter. Under these circumstances, if the responsibility rests anywhere, then if it is not where I have indicated I cannot understand what responsibility means.

We have paid under the terms of agreements to the provinces, and not to municipalities, sums of money which were the subject matter of agreements, based upon payments being made for the same work in part by municipalities and in part by the provinces. In the city of Montreal case we have not yet received the certificate; the minister and his accountants have been waiting for months for the certificate that will enable them to make payments, and when we receive the certificate over the signature of a provincial auditor and a minister of the province we shall make the payments. Is there any other way in which you could carry out the very principles which the right hon. gentleman supported so strongly in this house prior to the election of 1930, namely, that the constitutional obligation was one thing, the national character of the disaster was another, and the national character of the disaster involved the granting of assistance to the provinces? Those sums of money we have paid to the provinces when and as certificates in the form I have indicated were produced to enable payments to be made.

With respect to the question of a limitation being placed upon the expenditures to be made, we did one year place a limitation, and I am bound to say that it was not as satisfactory as when there was no limitation, because, just as soon as it was apparent that there was a certain sum of money available for the purpose, the provinces combined and said: That is exactly the sum we want. It was not a combination open and apparent, but they would—shall I say?—adjust their difficulties so that they synchronized, to use a well-known word, with the amount of money available. We desire to make the amount available as small as possible, and if it is thought that that proposal will better serve the purpose in mind and the purpose set out in the bill, we will consider what amount might be provided.

I shall not deal further with the other matters referred to by the right hon. gentleman under peace, order and good government except to say that he said that I had omitted to deal with the position in connection with the president of the United States. That is perfectly true. I did not think it required any discussion in this house. The real truth is that the only difference between the United States and Canada is that in Canada the executive is the governor in council. That means that a majority of council must agree to a certain line of action being taken. The executive in the United States is one man, and one only. He signs, and that is the end of it. The safeguards here are first of all the number of the advisers in council. Secondly, the powers that were conferred upon the president of the United States were in some cases for two years. Other powers that were conferred upon him were without any time limit. Some were for a shorter period than two

years. With respect to his power to make trade agreements the limit is three years. Other legislation is limited, some by a shorter term and some by a longer. But there is one clear distinction, the only one which need be considered in dealing with a matter of this kind, the executive of the United States is the president himself whereas the executive here is the governor in council. The governor in council means every member or the majority of the members of the council, the minority accepting the view of the majority in the action arrived at. That is the only difference, and the only matter which need be mentioned in reference to this question. That is so far as I can see it at the moment or so far as it affects the matter. The powers conferred upon the president are so far beyond the powers which it is suggested should be conferred on our executive that they are not in any sense in the same class.

I mention this because I said this afternoon that we regret that we cannot meet the views of the opposition and leave out the provision with respect to peace, order and good government. I should like to put this test, with which I think the right hon. gentleman will agree. Supposing in 1931, when we were asking for these powers, I had been asked a question similar to that asked this afternoon: "Why do we need it?" If I had said that I wanted it because I desired to restrict the export of gold and that England would go off the gold standard some time next September, hon. members would have laughed at me. I can give an illustration from my own experience. I happen to know that that summer a distinguished financier on this continent who was watching the trend of events cabled to a gentleman in London asking if in his opinion England would soon go off the gold standard. The gentleman in London cabled back that that was an absurd suggestion for him to make, and yet it happened in September. I use that merely by way of illustration.

There are other conditions which face the world at the moment and there is the talk which I deprecate greatly and which I fancy the right hon. gentleman deprecates more than I—the talk of war. I think no good purpose is served in the world at large by talking about war. I think it is a terrible thing and it should be terrible in the sense in which it is used. That is only my personal view. I know there is a statute which can be brought into force by proclamation but I think on reconsideration the members of this committee, when left to their own devices, would conclude that it is desirable in the national interest that the executive, which is the governor in council, should have the power to pass such orders in council as may be necessary for the peace, order and good government of the country. I shall not enlarge upon what I said this afternoon except to say that the seeking of this power obviously serves no personal interest. It cannot add to one's happiness but it makes one feel a little more certain that in the event of a crisis he has the machinery with which to protect the national life of the country.

Mr. MACKENZIE KING: I should like to follow the Prime Minister (Mr. Bennett) in the reverse order to that in which he spoke, taking up the last point first. He has just asked what he possibly could have done with regard to the export of gold if that question had been asked two years ago and where without disclosing his hand he could have obtained the legislation necessary to help to meet a situation of that kind. I would reply by saying that he did not need anything more than will be left in this bill if he agrees to strike out the very clause which he says it is necessary for him to retain, namely, the one giving the power, notwithstanding any statute or existing law, to pass orders in council under the heading of peace, order and good government. There would still remain this clause:

> —take all such measures as in his discretion may be deemed necessary or advisable to protect and maintain the credit and financial position of the dominion or any province thereof.

I ask the right hon. gentleman: Could anything be needed beyond that? If that is the purpose of the clause, what more could he needed? The section would still read:

> Notwithstanding the provisions of any statute or law the governor in council may take all such measures as in his discretion may be deemed necessary or advisable to protect and maintain the credit and financial position of the dominion or any province thereof.

We are perfectly agreeable to having that provision in the section remain, and I submit that that is all the right hon. gentleman needs to have in order to deal with any financial situation or any situation affecting the credit of this country. In view of what the Prime Minister has just said, I submit that the other clause should not be permitted to remain.

The Prime Minister deprecates the mention of the word "war." I agree with him and I hope the time will never come when this parliament will have again to discuss war. But if it ever has to discuss war, I submit that is the time above all others when parliament should be called together and the decision as to the action to be taken not left to the governor in council. If the Prime Min-

ister is retaining this clause which deals with peace, order and good government in order that he may have the power, notwithstanding any statute or law, to have this country participate in a war, there is a stronger reason than ever why the clause should be stricken out. I do not know that that is what is in his mind, but he has raised the question himself. I have no wish to discuss the question of war in this connection, but it has been discussed in this parliament at different times. My recollection is that a resolution was passed some sessions ago to the effect that in the event of the possibility of war parliament should be summoned before any forces of Canada were placed at the disposition of His Majesty to serve at any point outside of Canada.

Mr. BENNETT: That is in a statute.

Mr. MACKENZIE KING: The Prime Minister reminds me that that is in a statute, and that statute should be observed. But this clause states that notwithstanding the provisions of any statute or law which includes the very statute just referred to, the governor in council may take whatever steps he deems necessary to deal with peace, order and good government. I submit that the Prime Minister has just given two additional reasons this evening why that power should not be left in the hands of the governor in council.

Let me come to another matter referred to by the Prime Minister. He said that the only difference between the executive of the United States and the executive of Canada was that the executive of the United States was one man while the executive of Canada was the majority of the ministers in council. If I wanted to refine the point I could remind the Prime Minister that under the British constitution the executive is one man. The sovereign is the executive, but in Canada as elsewhere in British countries, the king is advised by his ministers, of whom the Prime Minister is chief. The president of the United States is one man, but he also is surrounded by members of a cabinet and undoubtedly any major action he takes is in accordance with the views of the majority of his cabinet.

Mr. BENNETT: No.

Mr. MACKENZIE KING: Not necessarily, possibly, but I submit he would be very foolish if he did not act in accordance with the views of the majority of his cabinet, and I think he does on most occasions. However, the fundamental difference is not what the Prime Minister has said it is, the difference between one man and half a dozen. So far as the United States is concerned, the executive has no place in congress and cannot make his views known by discussion and argument, whereas under the British system the executive as represented by the ministry not only has its place in parliament, but is responsible to parliament for every act and must get its majority from parliament itself. The president of the United States may choose whom he wishes as his cabinet.

Mr. BENNETT: He has to get a majority in congress.

Mr. MACKENZIE KING: He has not to find seats for his ministers and is not responsible to his congress in the way in which a prime minister is here. If he wants to deal with any question he has to get the authority needed for the purpose from congress somehow, but he gets that without his having to discuss the why and wherefore of his policy on the floor of parliament as the Prime Minister must and is able to do. The situation is entirely different.

Mr. BENNETT: He reads a message, that is all.

Mr. MACKENZIE KING: Yes, but my right hon. friend can come here and with his powers of debate and eloquence he can persuade his following to give him anything he wants. He can give his followers the reasons why he should get these particular powers—no one knows it better than he—and they will give him anything he wants. The president of the United States has not that power; he has to rely upon what congress will give him when it is in session. There is a complete difference between the two, so that if anything in the form of action required to meet an emergency is required, the president of necessity has to have when congress is not in session certain powers which the Prime Minister does not begin to need to have, for the simple reason that he can get whatever powers he likes, in advance of the prorogation of parliament, or if he wishes to bring parliament together at any moment he can do so immediately in order to get these powers.

Now to return to the other matter we were discussing, the question of relief, the Prime Minister again seeks to draw a herring across the trail. He asks, "With regard to old age pensions, why did you not make a different provision from the one you did? We were simply doing the same kind of thing in regard to unemployment relief as you did in regard to old age pensions." Well, I would say that if we made a mistake in regard to old age pensions that is no reason why he should make the same mistake.

Mr. BENNETT: But you did not say it was a mistake.

Mr. MACKENZIE KING: I did not say that. I will answer my right hon. friend this way. The reason we dealt with old age pensions in the way we did was that the requirements of the British North America Act left the matter of old age pensions exclusively in the hands of the provinces under the head of property and civil rights.

Mr. BENNETT: And relief in the same way.

Mr. MACKENZIE KING: No, that is where I do not agree with my right hon. friend; I say that it is not the same. There is nothing to support his statement. The right hon. gentleman said himself, during the campaign, that relief was a national problem; it was no longer provincial or municipal but was national. It was therefore for him to make it national, to be dealt with in that way, in view of the policy he declared. Moreover, when he spent money for purposes of relief he could attach to that expenditure any conditions he pleased. To show how far short of attaching such conditions—

Mr. BURY: Was not that true of old age pensions?

Mr. MACKENZIE KING: No, it was not true of old age pensions.

Mr. BURY: Was it not true that the government could attach any conditions they wished in reference to that matter?

Mr. MACKENZIE KING: No, there were restrictions because the question of old age pensions involved certain considerations respecting property and civil rights.

Mr. BURY: So does this.

Mr. MACKENZIE KING: No, this does not, and that is the difference. This is a sum of money which the government is spending for a specific purpose which it names.

Mr. BURY: And it involves civil rights.

Mr. MACKENZIE KING: Just as the Prime Minister himself said, we could give money to Japan, and if we could give money to Japan we could give money to the governments of the provinces of Canada.

Mr. BURY: Old age pensions involved civil rights.

Mr. MACKENZIE KING: If my hon. friend wants to make a speech he will have time to do so.

Mr. BURY: We don't want the committee misled.

Mr. MACKENZIE KING: It will never be misled by anything my hon. friend says. I should like if I might to continue without interruptions.

I wish to remind the Prime Minister of what was said in this very connection with respect to these grants in aid—and here may I say that the Prime Minister has been kind enough to observe that having occupied for a number of years the position which he now fills one gains a certain amount of experience, and I trust that this experience, by whomsoever it is obtained, will be of value in public life at all times. And out of that experience, when this country was faced with the problem of unemployment on a vast scale and the possibility of depression running over a period of years, with the likelihood of the provinces being unable to meet their various obligations, I urged at the very first session that these grants in aid to the provinces should be stopped pending the calling of a conference between the dominion and provincial governments to see whether it was not possible to have some arrangement made whereby the dominion could assume a large number of obligations for relief in its different forms—social insurance in its various aspects—taking them over as a national obligation and in return obtaining agreements from the provinces to amend their powers of taxation in some directions, or making concessions with respect to future subsidies. My hon. friends opposite will remember that I spoke over and over again about the inevitable consequences of continuing grants in aid at a time like this, pointing out that they meant that sooner or later the public treasury would be depleted beyond all expectation. I was hooted at by hon. gentlemen opposite for repeating this observation so often, but the force of it is coming home to them now when it is too late. I suggested then that we should seek an amendment to the British North America Act inasmuch as this question was likely to present itself with increasing urgency with time. I urged that we should at once take steps, in conference with the provinces, and by whatever course might be deemed necessary, to see whether the British North America Act could not be so amended as to give the federal government larger powers with respect to social and industrial legislation in order that we might have uniformity of laws throughout the dominion, the provinces being relieved of some obligations, having them made federal charges, and the provinces on their part foregoing, if that was

equitable, their subsidies either in whole or in part. I made this suggestion with a view to bringing matters to such a point as to insure that the power raising taxation would be charged with the responsibility of its control and expenditure, instead of following the false principle of placing upon one government the obligation of raising taxes and allowing another government or series of governments and municipalities as well to spend the money, for the raising of which they had had no responsibility whatever.

On all these counts therefore it seems to me that the need is becoming stronger and stronger for compliance with the request made from this side of the house, even now at the eleventh hour, rather than that the present situation should continue, albeit for but a few months or a year, or whatever the period may be.

With reference to the auditor general's position, the Prime Minister says that he will consider the matter. I think we had better have the public accounts committee called together and have some of these matters gone into very fully there, so that we may find out how public moneys have been spent. It is high time the committee was called together. We might have the auditor general and others before the committee. I trust the Prime Minister will see that this is granted.

These I think were the main points referred to by my right hon. friend. I would add this, with respect to old age pensions, that the Liberal administration—and I presume the present administration is following the same course—did audit the accounts with respect to old age pensions so far as the provinces were concerned; they did have their own auditors and have always had supervision over the provincial governments' expenditures, and I believe that the auditor general has been free from time to time to make, and has actually made, test audits in regard thereto.

Mr. BENNETT: I should point out to the right hon. gentleman that what I said with respect to old age pensions is doubly true with respect to the harbour commissions. It was under the right hon. gentleman's government that $19,000,000 was expended in connection with a harbour bridge without any audit—and the less said about it the better—and that vast sums of money had been spent in the harbours of the dominion. I myself, sitting in the seat which the right hon. gentleman now occupies, pressed that in dealing with these matters provision should be made by which the auditor general could audit the reports. But there has been a singular lack of effort to audit these accounts, at least up to 1931, and the efforts I made indicated that nothing could be ascertained. And if you compare that, and the position in connection with expenditures under old age pensions, with the position in connection with relief, you will not have difficulty in drawing certain definite conclusions. I see no reason why the public accounts committee should not be called; in fact I shall be glad to assist in the committee being called to investigate any items in the auditor general's report which may be directed to the attention of that committee. Further, I observe that the auditor general has been summoned to appear before the Senate committee on public accounts. Obviously he cannot appear without the consent of this house, or should not, having regard to the provisions of our statute in that respect, and this house will assert those privileges of which hon. gentlemen opposite are so jealous. I assume that the house will at once be glad to avail itself of the opportunity which we will promote of dealing before the public accounts committee with any of these matters that are in the auditor general's report.

Mr. MACKENZIE KING: What the Prime Minister has just said about there being other public expenditures that are not being properly audited is, I think, only a further reason that now that the whole matter has come up for consideration and discussion in the way it has, we should seek to take immediately the steps that will prevent anything of this kind happening in the future. That is why we are stressing the matter as strongly as we are in regard to this particular measure. My right hon. friend will do me the justice, I believe, to say that at no time have I advocated any concealment of inquiries into public matters of any kind, but that I have stressed as strenuously as I could full supervision and control by the House of Commons and by its servant over all public expenditures. If there has been one thing above another that I have been emphasizing each year, it has been the necessity of that complete control on the part of the House of Commons and the auditor general over all expenditures of public money, especially in dealing with the relief situation which is an abnormal one. In handling matters in times of emergency there is greater need than at any other time that those safeguards should be exercised with the greatest possible care. For that reason I hope when the minister under the present legislation is making his agreements with the

provinces, he will see to it that clauses are inserted which will ensure a more adequate following down the line of those public expenditures than has been the case heretofore and that every dollar of federal money goes, not to administration or to contractors or to pay for supplies, or to relieve provinces and municipalities of their own obligations, but to labour itself, a satisfactory certificate of payment being obtained in receipt thereof.

Mr. BENNETT: The certificate may be as incorrect as it is now alleged ours are.

Mr. MACKENZIE KING: That can be followed up by federal officers. I should like to point this out to the Prime Minister: we are in the extraordinary situation that we have voted sums of money running to over $110,000,000 for expenditure on relief alone, and yet the house has no information as to the numbers of the unemployed. The Department of Labour has not this information. It has made all kinds of excuses and apologies for not having it. All it needed to have done was to require any province giving federal money to a municipality to obtain from that municipality a statement of the numbers of its unemployed. Those statements should be returnable periodically to the government and after being tabulated should be brought to the attention of this house. We have had from Premier Pattullo a statement that the number of unemployed in British Columbia to-day is 100,000. British Columbia has a population about one-nineteenth of the rest of Canada, so it would look as though, if that were the average for all the provinces according to population, the total number of unemployed would be about 1,500,000. I think, however, British Columbia relatively has a larger number of unemployed than the other provinces; but if figures are available, we ought to know.

Mr. GORDON: On what date was that?

Mr. MACKENZIE KING: In the press of Saturday night there was a statement to the effect that there was something like 100,000 unemployed in British Columbia. If that province has been able to get those figures in so short a time, some of the other provinces ought to be able to get similar information. One very simple way to get the figures is to insert such a provision in the agreements entered into by the minister.

Mr. BENNETT: I am afraid the statement in regard to the 100,000 unemployed is a guess. It may, however, have some reference to a matter to which I am going to direct the attention of the right hon. gentleman to indicate how difficult it is to deal with the situation in the way he suggests. Shortly after the change of government in British Columbia my attention was directed to a press clipping in which a notice was given that certain works would go forward at a particular point. I will show it to the right hon. gentleman to-morrow. Membership in the Liberal association was a sine qua non.

Mr. MACKENZIE KING: That was brought up this afternoon.

Mr. BENNETT: I was not in then. That indicates one of the difficulties experienced in matters of this kind. I would like to show the right hon. gentleman some of the efforts that have been made in the imposition of conditions on the provinces and the difficulty that has been experienced in connection with those payments which have not to do with labour but have to do with matters connected with the credit and interest obligations of the provinces. The prospect seems much easier viewed from the outside than it is from within.

Mr. POULIOT: Let us consider Newfoundland. I have only one thing to place before the committee to-night, and it is this: Last year I asked the Minister of Finance about the grants to Newfoundland. He told me that the Dominion government had guaranteed to certain banks the interest payment amounting to several hundred thousand dollars. On that occasion the opposition blamed the government for guaranteeing Newfoundland loans. The Minister of Finance was at that time very eloquent, and finally during the world conference when this dominion was asked to renew the guarantee or to give an additional one to Newfoundland, it refused to do so, and quite rightly. Therefore, as was pointed out during the debate on the address, it was not the members of the opposition who were wasting the time of the house in that matter, but the Minister of Finance himself.

The other day my right hon. leader spoke about those guarantees and the Minister of Finance pointed out that no money was loaned to Newfoundland; that it was only a guarantee that was given by this government. Therefore I would like to know from them whether the guarantee which was given to Newfoundland last year amounts to very much. To what banks was that guarantee given, and is it still in existence? Has the government been released from all its obligations towards the creditors of Newfoundland? May I point out at the same time that at page 9 of Hansard of this year it will be seen that I asked the government for the production of the Amulree report on New-

foundland and that the Prime Minister said that in that report there was nothing of interest to Canada.

Mr. BENNETT: Oh, no.

Mr. POULIOT: For the information of the right hon. gentleman I will read what he said as reported at page 9 of Hansard:

Right Hon. R. B. Bennett (Prime Minister): Mr. Speaker, it was not proposed to table it. The report was not in any sense connected with the operations of this government. The government of Canada was asked to name a commissioner to sit with commissioners from Great Britain and Newfoundland. With that in mind Mr. Magrath was selected.

My idea in asking that was to know what had been found by those three gentlemen about Canada's obligation to the creditors of Newfoundland, and that was the only idea I had in view when I put the question. Therefore I will ask the government kindly to answer the questions that I have put and whether this is not the time to table that report which is just as interesting as that of Mr. Sutherland on the tobacco business.

Mr. BENNETT: The obligation of the dominion is represented by guarantees given to the chartered banks to the extent of $625,000. A half year's interest was being paid, and the British authorities said that they would guarantee or pay to the extent of one-half if we would the other. As the default of Newfoundland would have seriously affected our own securities, being trustee securities, we did so. The present position, since the commission has taken over, I am not in a position to state without verifying the facts. But that is the figure, $625,000.

Mr. POULIOT: I thank the right hon. gentleman for the information he has just given. If he had agreed to the tabling of the Amulree report it would not have been necessary for me to ask him any questions to-night. Therefore I ask if he will kindly reconsider what he said at the begininng of the session, and let the members of the house see that report, part of which has been published by the financial papers. It is a report which is of interest to all of us.

Mr. BENNETT: I think copies of the report are in the library. I could not lay it on the table, because it is not a report that originated from any action taken by this house or this parliament. We have, I think, two or three copies, perhaps half a dozen; but surely there is a copy in the library. If there is not I will see that one of those we have is put there.

[Mr. Pouliot.]

Mr. POULIOT: I thank the right hon. gentleman.

Mr. CASGRAIN: May I ask the Prime Minister if the guarantee or arrangement made for the building of Canada's legation at Toyko was made under the relief act, or in what way it was done?

Mr. BENNETT: My memory is, no. The order in council was passed finally when I was not in the country. I promised the hon. member for Bow River (Mr. Garland) that the papers would be brought down, and I thought it had been done already.

Mr. CASGRAIN: I made a motion for them.

Mr. BENNETT: The fact is that the minister to Japan himself advanced the money for the construction of the building, and is to be repaid as appropriations can be made for that purpose from time to time. In the meantime the interest on the money is not as much as would have been paid for rent. A high minded public service was rendered by the minister under an arrangement which merely contemplates his being repaid the money expended for construction in the manner I have indicated.

Mr. CASGRAIN: Do I understand that the financial transaction has been carried out by the Canadian minister himself, or was a guarantee given to him in respect of those expenditures?

Mr. BENNETT: It is covered by an agreement.

Mr. CASGRAIN: How was the loan arranged?

Mr. BENNETT: I do not know that that was disclosed. He is a man of means; I am not sure even that he borrowed the money. He put up his own money; that is the short way to put.

Mr. NEILL: I would like to say a word before eleven o'clock. I hope the suggestion of the leader of the opposition that this matter be referred to the public accounts committee will be given effect to forthwith. This is a more serious matter than ordinary complaints made against a cabinet minister who is here to defend himself. The auditor general is an officer of this house, responsible only to us, and something very close to a charge of incompetence has been made against him, somewhat comparable to such a charge against the Speaker or the clerk of the house. I am wholly unwilling that the information I seek should be obtained in another house. We do

not know what scope that investigation is going to take, nor can we be there to direct it along the lines of the charges made here. As regards the necessity of a thorough investigation, we must recall that the test made has been quite superficial; it was very slight, touching only the high spots here and there. For instance, in British Columbia I understand it consisted of a comparatively slight investigation of accounts for the year 1933. If the auditor had gone back to 1931 things might have been revealed that would make your hair stand on end. It will be remembered that in 1932 the relief situation there came into the hands of the Fordham commission, under which a very genuine attempt was made by the province and the dominion to run things on right lines, But if the examination had gone back to 1931 we have only to recall the charges made by the dominion government's man, McGeough, which have never been proved untrue, to realize the scope of the graft that I firmly believe would be revealed.

The Prime Minister dealt more than once with the idea that our safeguard was that if there was any graft, for every dollar of which the dominion was robbed there would be two dollars against the province and the municipality. But that is not so, because the province looked after the cities; in fact I think the cities for the most part ran their relief honestly and fairly. The province saw that the cities did not rob them. But who was to see that the province did not rob us? It is said that there was a provincial auditor, a very reliable man, but his duty was to see that the cities did not rob the province; he had no obligation to see that the province did not rob the dominion—I use the coarse word. I gave an illustration of how it could be done without any misconduct on the part of the city. Excessive charges were made for hire of government trucks and machinery, and expenditures of a capital nature were charged which should not have been shared by the dominion. Those are things in connection with which the province was not robbed, the city did not rob anyone, but we were robbed, inasmuch as we were asked to pay a share of accounts which, to put it plainly, were padded. For instance, gasoline was charged with the six or eight cents provincial tax added to the price, and we were asked to pay our share of that.

Mr. BENNETT: Was that wholly wrong?

Mr. NEILL: I do not think the dominion should pay a provincial tax on gas.

Mr. BENNETT: That is a question that was argued at great length. If anyone else had used it they would have had that revenue.

Mr. NEILL: Then I shall not use that as an illustration, but I shall use that of supervising employees being put in, and excessive charges made for trucks and machinery. I think it would be in the interests of the government and of this house if this thing were thoroughly investigated before the public accounts committee.

Mr. BENNETT: I have made some inquiry since I spoke. The difficulty of getting the public accounts committee together is that most of the members, I think twenty in all, are serving on the banking and commerce committee. The difficulty of getting a quorum, I am informed by the chief whip, has been very great. It is almost impossible, because of the interest taken in the proceedings of the banking and commerce committee. But I shall see what can be done.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Tuesday, April 10, 1934

The house met at three o'clock.

PRIVATE BILL

Mr. C. E. BOTHWELL (Swift Current) moved:

That the petition of Naomi William Lyman Robertson praying for a bill of divorce from John Morris Henry Robertson together with the report and the petition thereon be referred to the select standing committee on standing orders for the purpose of considering the suspension of standing orders 92, 93 (3)a and 93c in relation thereto.

Motion agreed to.

CANADIAN LEGATION IN JAPAN

Right Hon. R. B. BENNETT (Prime Minister): I desire to lay on the table the documents asked for in the motions made by the hon. member for Bow River (Mr. Garland) and the hon. member for Vancouver Centre (Mr. Mackenzie). There are four copies and the correspondence covers the language of both motions except with respect to plans and specifications, which after their approval were sent to Tokyo and have not been returned. It was because of the hope that they would be returned here sooner that the return was not filed earlier. It is now filed without the plans and specifications.

NEWFOUNDLAND REPORT

Right Hon. R. B. BENNETT (Prime Minister): I mentioned yesterday that the report of the royal commission on Newfoundland was a document over which we had no jurisdiction. It was printed in England, in fact, but after the hon. member for Témiscouata (Mr. Pouliot) had made some observations in the early part of the session steps were taken to procure a few extra copies. I now table one copy, with a memorandum issued by the lords of the treasury. There are also being deposited in the library of parliament as many as perhaps twenty copies, and there are also a few copies available at the office of the Secretary of State for External Affairs, and if any hon. member is particularly interested in securing a copy they will be furnished as long as they last. In the meantime this copy is being tabled for the edification of the hon. member for Témiscouata.

TARIFF BOARD

REFERENCE TO SUPREME COURT OF RIGHT TO MAKE RULINGS ON POINTS OF LAW AND FIXING OF VALUES

Right Hon. R. B. BENNETT (Prime Minister): There was a slight amendment made in the order in council passed with reference to the question submitted to the Supreme Court of Canada regarding the interpretation of certain sections of the Tariff Board Act. The description of the statute was incorrect, and it has been amended. As I laid on the table the original order in council, I now deposit a copy of this one.

PRIVILEGE—Mr. MACKENZIE (Vancouver)

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, I rise to a question of privilege. I am sorry the Minister of National Defence (Mr. Sutherland) is not in his seat. On the sixteenth of March while the house was in committee of supply I asked the minister this question:

> It is in connection with the sale of the rifle range on Lulu island in British Columbia. Has the range been sold and, if so, was it sold by tender?
>
> Hon. Donald M. Sutherland (Minister of National Defence): No, it has not been sold.
>
> Mr. Mackenzie (Vancouver): Have tenders been called for the sale of the range?
>
> Mr. Sutherland: No.

I hold in my hand a notice calling for tenders for the sale of this rifle range. I am sure the minister must have made his reply inadvertently, and perhaps he will take this as a notice to explain why the answer to my question was given as it was.

PRIVILEGE—Mr. MUNN

On the orders of the day:

Mr. A. E. MUNN (Vancouver North): Mr. Speaker, yesterday I directed a question to the Minister of Trade and Commerce which will be found at page 1933 of Hansard, in connection with the Sutherland report and in answer to my question the minister immediately said "No, it is not a fact." Then after several minutes, and after a discussion of other matters, the hon. minister modified his answer, but I find it printed in Hansard in one paragraph with his original answer. I would like to know if that is the usual custom.

Hon. H. H. STEVENS (Minister of Trade and Commerce): If the hon. member is implying that I in any way suggested to Hansard what it should do I can tell him that I did not do anything of the sort. As a matter of fact I never change Hansard.

Mr. MUNN: I was not accusing the minister of changing Hansard. I asked if that was the usual custom.

HAMILTON POST OFFICE BUILDING

On the orders of the day:

Mr. HUMPHREY MITCHELL (East Hamilton): Recently in a speech in the city of Hamilton the Prime Minister intimated that the government would build a post office there under the construction program of the dominion government. The sun is now shining on both sides of the fence, and I wonder if the Prime Minister could indicate to the house how soon we may expect an announcement of government policy in connection with this building program.

Mr. BENNETT: In due course the information will be supplied.

B. C. SALMON FISHERY

On the orders of the day:

Mr. THOMAS REID (New Westminster): On March 13 I asked a question of the Minister of Fisheries regarding the orders in council which had been passed allowing seines to operate in the mouth of the Fraser river. I asked if the minister would consider the advisability of having those orders in council and other matters pertaining to fisheries

placed before the fisheries committee. The minister replied on March 13 that he would be pleased to discuss this matter with his colleagues and inform me whether it was considered advisable or not. I ask him now whether he has considered that question.

Mr. DURANLEAU: No final decision has been arrived at as yet.

BONUSING OF PURE BRED STOCK

On the orders of the day:

Hon. P. J. VENIOT (Gloucester): Mr. Speaker, I should like to inquire of the Minister of Agriculture (Mr. Weir) if it is the intention of his department to adopt a policy of bonusing pure bred sires.

Hon. ROBERT WEIR (Minister of Agriculture): We have a number of policies for the encouragement of improvement in live stock and I should like the hon. member to be a little bit more specific.

Mr. VENIOT: My information is that on April 1 a bonus will be effective for pure bred bulls in Ontario and Quebec. If this is the case, I should like the minister to make this bonus applicable to New Brunswick.

Mr. WEIR (Melfort): If New Brunswick or any other province asks the government to cooperate upon the same terms as we have with Ontario and Quebec, we shall be glad to do so.

UNEMPLOYMENT AND FARM RELIEF

BILL IN TERMS GENERALLY OF RELIEF ACT, 1933, WITH PROVISION RESPECTING DELAYED RELIEF ACCOUNTS

The house resumed from Monday, April 9, consideration in committee of Bill No. 42, respecting relief measures.—Mr. Gordon.—Mr. Lennox in the chair.

The CHAIRMAN (Mr. Lennox): The question is on the amendment.

Mr. MACKENZIE KING: The amendment now before the committee is a relatively minor one and at the time it was introduced I said that I did not think we would take specific exception to it. I see no reason why it should not be passed. I could then put before the committee an amendment which really embodies that to which we are taking the strongest exception. Will the chairman please read the amendment?

The CHAIRMAN (Mr. Lennox): The amendment is that section 2 (a) be amended by adding after the word "province" in the fourth line thereof the following words, "and to Canadian Cooperative Wheat Producers Limited."

Amendment agreed to.

Mr. MACKENZIE KING: I should like to move the following amendment:

That the section be amended by striking out the words "to take all such measures as in his discretion may be deemed necessary or advisable to maintain, within the competence of parliament, peace, order and good government throughout Canada."

This is an amendment to subsection (b) of section 2 and is seconded by Mr. Stewart (Edmonton). I would point out that the original section contains the words "notwithstanding the provisions of any statute or law the governor in council may" do the things which are mentioned in the amendment. I am proposing by the amendment that this power should not be given to the governor in council particularly as other powers to be given the governor in council which will remain in the section are ample to cope with every conceivable situation.

Mr. BENNETT: How will the section read then?

Mr. MACKENZIE KING: If the amendment is agreed to the section will read as follows:

Notwithstanding the provisions of any statute or law the governor in council may,—

(a) Upon such terms and conditions as may be agreed upon,—enter into agreements with any of the provinces respecting relief measures therein; grant financial assistance to any province and to Canadian Cooperative Wheat Producers Limited by way of loan, advance, guarantee or otherwise; and in respect of such loans, advances and guarantees, may accept such security, enter into such agreements and generally do all such acts and things as the governor in council may deem necessary and expedient in the public interest;

(b) When parliament is not in session to take all such measures as in his discretion may be deemed necessary or advisable to protect and maintain the credit and financial position of the dominion or any province thereof.

I feel certain the section, if left in that form, will be more than ample to meet any emergent condition which the Prime Minister or the government may ever be called upon to meet. I think these powers go much too far.

Mr. BENNETT: We cannot accept that amendment. It may be possible to meet one of the difficulties pointed out yesterday as to the meaning to be attached to the words

"notwithstanding the provisions of any statute or law." I have spoken to my colleague, the Minister of Justice (Mr. Guthrie), as to whether instead of the word "notwithstanding" we could insert the words "in addition to the powers conferred by any statute or law" dealing with matters affecting peace, order and good government in the country. There is some force to be attached to the criticism urged yesterday as to the meaning which might be put upon the word "notwithstanding." I do not think there would be a great difference as a matter of law but as that point was urged so strongly yesterday and if it clarifies in any sense the meaning of the section, we would be glad to change it. The amendment now proposed which provides for the elimination of any provision on the part of the executive to deal with matters affecting peace, order and good government, we cannot accept, for the reasons given yesterday. I thought at first that the amendment meant that these words would be retained but that the meaning would be modified in connection with the word "notwithstanding" but the right hon. gentleman proposes to eliminate these words entirely and we cannot accept his amendment.

Mr. MACKENZIE KING: I had hoped that the amendment would carry but if the Prime Minister takes the view he does, I assume it will not. I trust the Prime Minister will nevertheless make the modification which he has suggested and alter the words "notwithstanding the provisions of any statute or law" to read "in addition to the provisions of any statute or law." It would make only a slight difference; the clause would still be objectionable, but what is proposed would be a modification.

Mr. BENNETT: We will prepare an amendment along those lines. As the right hon. gentleman will observe, it will be necessary to retain these words in the first part of the section as there are statutes which do operate with respect to matters not concerned with peace, order and good government. These statutes refer to matters mentioned in that part of the section and the power to make agreements with the provinces to deal with those matters must be "notwithstanding the provisions of any statute or law." If the committee will permit this section to stand, the Minister of Justice and I will prepare an amendment which will eliminate the word "notwithstanding" in connection with peace, order and good government. If a meaning was to be given to this word, which I do not attach to it, it would mean the conferring of power far beyond that which is intended. It is intended that the power to be conferred shall be conferred under the construction given by the privy council to the words "peace, order and good government." For the benefit of the committee I may say that that power by the executive is somewhat restricted when parliament is not in session. But if you interpret the words, as the right hon. gentleman did yesterday, in the light of "notwithstanding", it would be open to the construction of conferring upon the executive powers entirely beyond any statutes that now exist, and notwithstanding them. We will remedy that, and the Minister of Justice will prepare an amendment to meet it. But the first part of it, namely, the power of making arrangements with the provinces, and matters of that kind, must be notwithstanding any other provision that may exist elsewhere; these specifically named provisions must be the overriding provisions in connection with the arrangements made between the dominion and the provinces, and the amendment which we will prepare will, I think, meet the difficulty to which attention has been directed.

Mr. MACKENZIE KING: That amendment may help to meet the one particular point mentioned, but there will remain the all-important question whether the power to pass orders in council with respect to peace, order and good government when parliament is not in session, in addition to any existing statute or law, should remain. I would suggest therefore that we continue the discussion on the main question rather than allow the section to stand. If, when it is disposed of, the other amendment is not ready, the section could then stand.

Mr. BENNETT: That is quite satisfactory.

Mr. MACKENZIE KING: I desire to make a slight explanation in view of what was said last night. In discussing the expenditures made for relief purposes during the years 1920-1930 I stated that the total expenditure had amounted to $10,000,000. I should have said that the total expenditure in that period amounted to some $2,000,000, and I should like to give to the house the exact expenditures, because it is an all-important point with respect to the auditing of the accounts for that period as contrasted with the significance of the auditing of the larger amounts which have been paid out since.

The following amounts were paid out in the years mentioned for relief purposes:

Year—	Amount
1920-21	$343,036 55
1921-22	500,000 00
1922-23	924,025 29
1923-24	4,273 83
1924-25	.....
1925-26	.....
1926-27	77,684 66
1927-28	.....
1928-29	.....
1929-30	.....

The total contributions by the federal government to unemployment relief during the years 1920-1930 inclusive was $1,849,020.33. May I say to the committee that after speaking last night I noticed that I had made that error, and in going over the Hansard notes, I made the correction, so that it would read that the total expenditure had not exceeded $2,000,000, which was the figure I ought to have used.

To touch upon another matter I would point out that the Minister of Labour yesterday cited from an order in council, the whole of which, he said, I had not given. He said he thought that I had omitted—quite unintentionally, he added—indicating that there had been audits prior to the passing of the item I was quoting from, namely, the order of March 12 of this year, being P.C. 222. I do not think the minister could have remembered or seen what I said during the previous discussion. Two or three times I referred to this order in council but I did not on each occasion go through the whole of it. I made clear the fact that there had been other audits on the occasion of my first reference. I have before me the discussion of March 22, 1934, from which I may read what I then quoted. I said on that occasion:

Let me read two clauses from the order in council:

"And whereas the audits and investigations which have been made and reported upon by the auditor general, in pursuance of the directions hereinbefore recited, have disclosed the necessity for a more extended audit of the accounts relating to relief expenditures if the interests of the dominion treasury are to be adequately safeguarded; . . . Now therefore His Excellency the Governor General in Council, on the recommendation of the Minister of Labour, is pleased in the exercise of the powers so conferred by the Relief Act, 1933, to order and doth hereby order and direct the auditor general to conduct such audit of provincial and municipal accounts in connection with unemployment relief expenditures as he deems essential to safeguard the interests of the dominion treasury."

In other words, I had that very circumstance in mind when I referred to the order in council, namely, not in any way to mislead the committee as to previous audits. But subsequently in the discussion, when dealing more hurriedly with other points, I did not refer again to the first part of the order in council. I thank the minister for saying that he felt at the time, in reference to what I had quoted, that he did not think I had intentionally sought to mislead the house.

Mr. BOTHWELL: What is the amount of the lien notes outstanding in Saskatchewan for direct relief, and what justification is there for holding these notes, when direct relief was administered in other provinces without the taking of notes?

Mr. GORDON: Any notes taken in Saskatchewan were taken by the provincial government. I do not know the amount of the notes, but I have taken up with the provincial government the question of any adjustment that will be made if these notes are paid. The hon. member is however quite right; so far as I am aware, notes were not taken in the other provinces in the way in which they were taken in Saskatchewan. I am advised that in many instances, particularly in the southern part of the province, or the so-called drought area, where people were not bankrupt in the sense that they had no liquid assets, but had merely fallen upon misadventure by reason of crop failures, they requested that the relief granted be treated as an advance and tendered their notes for the assistance given. I have not the total amount of these notes, but the province will make an adjustment with the dominion government as and when any of them are paid.

Mr. BOTHWELL: A part of these notes will be payable to the dominion government. Is it the intention of the dominion to accept that money or to refund it to the people who have executed the notes?

Mr. GORDON: If any of the notes are paid the total sum will be paid to the province of Saskatchewan and then an adjustment will be made as to any dominion portion of the notes, and that money will be refunded and will go into the consolidated revenue fund.

Mr. BOTHWELL: Do I understand the minister to say that it will be refunded?

Mr. GORDON: Yes.

Mr. BOTHWELL: To the persons who pay the money?

Mr. GORDON: Oh no; I am afraid I have not made myself clear. The money, if paid at all, will be paid by the person who was assisted through the agency of the dominion government and the government of the province of Saskatchewan. If and when any of these moneys are repaid then an adjustment will be made between the two governments and any other contributors concerned, such as the municipalities.

Mr. BOTHWELL: That does not answer the question. The position is this. The dominion has contributed a share of the moneys that went for direct relief in various provinces. In Saskatchewan the recipients of that direct relief in the rural areas were required to give notes. These notes were given to secure not only moneys advanced by the province but also moneys advanced by the dominion. When the recipient pays the note, the dominion government is entitled to an adjustment from the province and will get a part of the money. What justification can there be for the dominion holding that money from the individual in Saskatchewan, while the government receives nothing from the individual in any other province?

Mr. BENNETT: I think the hon. gentleman is confusing two things as he did the other evening in connection with wheat and never withdrew his statement. The truth is that when the dominion paid the whole amount as it did in 1930 and 1931 in the territory that was completely devastated, the people living there, having property that had once been very valuable, suggested that they give notes. Why I do not know, but they did. That information was communicated to us and they did give notes. Latterly they have not been giving notes for direct relief. The extent of my knowledge—this is before the present minister took office—is that it was only in the territory in which the crop was completely destroyed that they gave notes. If they make payments of the notes, the money will be dealt with as may be thought desirable, but I do not think the hon. gentleman can make very much political capital out of it yet.

Mr. BOTHWELL: I am not trying to make political capital out of it; I will satisfy the Prime Minister on that score, but I find in the auditor general's report that relief granted in Saskatchawan and secured by lien notes of relief applicants amounts to $216,065.78.

Mr. BENNETT: What year was that?

[Mr. Bothwell.]

Mr. BOTHWELL: The period covered by the test audit was from October 10, 1930, to April 30, 1932. I do not know whether any lien notes have been taken since then and apparently the minister does not know. I asked him in the first place what the total amount of outstanding notes was and he says he does not know. Under that same item in the auditor general's report there is this:

> Recoveries. Cash received from cash sales and from repayments by relief applicants, $8,129.59.

Apparently some of those relief applicants have paid back the money they received by way of direct relief. What I want to know is why direct relief recipients in Saskatchewan in a devastated area such as we have there should be called upon to repay this direct relief assistance that they got, whereas relief recipients in any other part of Canada were not required to do so.

Mr. BENNETT: The answer, as I said to the hon. gentleman, is very simple. The dominion was paying the whole amount in the devastated area; there was no contribution by municipalities nor by the province and the entire obligation having been assumed by the dominion, it was indicated that some of the people desired to give notes. The number is apparently not very large because according to the report which the hon. gentleman has just read the sum between September, 1930, and the spring of 1932 was about $216,000. I thought the amount was larger. The sum of $8,000 has been repaid. To answer the question categorically, the only reason that notes were taken was that a desire was expressed to give them in that devastated area where the people still had their land that at one time had been worth a great deal of money. There was a feeling among many of them that they did not desire to regard themselves as being persons receiving relief or charity, but rather getting a loan which they wished to pay back. The fact that some $8,000 have been repaid indicates that some persons desire to keep the faith they had in themselves by making this return of the money. In the other provinces in the other cases there was a threefold contribution by the municipalities, the province and the dominion. The dominion did not take notes nor was it suggested that it should. The dominion had nothing to do with the administration of the relief. The only place in which the dominion government has administered relief in this country since the depression came was in the devastated areas of Saskatchewan and for the reasons I have

indicated a number of the people there gave notes at their own request and some have paid them off. In the other parts of the country the contribution was made by the dominion government to assist the provinces in the discharge of their duty and in every province at least in the west where they supplied seed grain, it will perhaps be recalled by the hon. gentleman that the statutes were amended to secure a lien with respect to seed that was supplied.

Mr. BOTHWELL: Just one more question. I am not speaking on behalf of any of those who received relief by way of seed grain; I am inquiring in connection with those who received this direct relief for food, clothing and shelter. I gather from the Prime Minister's remarks that this sum of around $216,000 would represent money that was advanced in toto by the federal government and not contributed to in any way by the province. Apparently if these notes are collected, whether by the province or not, the money will belong to the dominion. I have still to receive an answer as to what will be done with it. While some may have requested that they should have the opportunity of giving notes there were numbers who were not too anxious to do so.

Mr. BENNETT: They have not paid.

Mr. BOTHWELL: The notes are still outstanding against them as a liability and they see no way of paying them.

While dealing with this particular section in regard to entering into agreements with the provinces respecting relief measures, may I say that we have had in Canada great difficulty in finding markets for our wheat. In that same area of Saskatchewan, I may call it the drought area, the farmers are finding great difficulty in getting seed and particularly feed for this year's operations. A few lines from a letter indicates just about what the situation is. This gentleman says:

> This season we have the additional labour of this grasshopper campaign so that the commission's allowance is about one-third of enough.

That is the commission's allowance for feed. Then he says:

> I threshed less wheat than I seeded last year.

Then he makes this suggestion:

> In our district there is enough low grade wheat of last year's crop in elevators to relieve the feed situation and the danger of it again finding its way into market could be overcome by grinding before delivery to farmers.

In other parts of his letter he suggests that the farmers in the district in which he lives will be happy to sign notes again if they can get feed to carry on their operations again this spring. He makes the suggestion that this low grade wheat of which the elevators there are full, might be used for the purpose of providing the required feed. I want to draw this matter to the minister's attention when we are considering granting relief to Saskatchewan.

Mr. VALLANCE: I would like to direct a question to either the Prime Minister or the Minister of Labour. During the time from 1930 to 1932, that the federal government was giving the entire relief, did all those who received relief give expression to the idea that they would like to pay it back and, if not, what percentage expressed the wish to pay it back?

Mr. GORDON: The department has not the records which would disclose the information asked for by the hon. gentleman. I do not know whether everyone expressed a desire to pay back the money granted to assist the people. I would be surprised if they did. But I would be pleased if the major portion of them did. The notes were taken by the province, as has been explained, and if the money is repaid there will be a refund to the dominion.

Mr. VALLANCE: From what source did the government get the information that the individuals receiving relief desired to pay it back? If the federal government, as stated by the Prime Minister, was paying 100 per cent, surely by reason of that fact the federal government would be in touch with the situation. Therefore I ask where they got the information that the individuals receiving the relief were desirous of paying it back.

Mr. GORDON: My recollection is that I was so informed by the Saskatchewan relief commission, who were administering the relief.

Mr. BENNETT: I think it may well be asked why we should take up time going over all this again. It has been gone over at least four times in this house, year after year, to my certain knowledge. I have not the papers with me, the minister has not, the matter was closed and ended twice, three times, four times; now we are at it again. I said that I sat at a conference in the government buildings at Regina. Certain representations were made, I do not carry the names of the people in my head but I think if hon. members will turn up Hansard they will find perhaps that I was then able to remember the names. It was a conference held with the government and certain repre-

sentatives of those who lived in the devastated areas, and the suggestion was made that they thought it highly desirable that they should have opportunity to treat it not as charity but as a loan; and I said, Very well. After that it was so treated in some cases, not in all. Since then some $8,000 has been repaid, I was not aware of the figure until it was mentioned.

Mr. VALLANCE: In view of what has happened since 1932, and the desire of these people to pay back that which they got for relief, and in view also of the fact that in no other province were notes or any promise given to pay back that which they got as relief, will the government now consider the suggestion made by the hon. member for Swift Current (Mr. Bothwell) that these notes be cancelled? Because, as I know, those people are in no position, nor will they be for many years to come, to pay those notes. I was rather surprised to learn that even $8,000 had been paid back. I think it would be a very nice gesture, if nothing else, on the part of this government to cancel these notes. I might remind the Prime Minister of this: On the first occasion when this matter was drawn to his attention, he will find, if he looks back over Hansard, that even he had no intimation or knowledge that they were giving notes at that time. In view of that and in view of what has happened since this relief was given and in view of the fact that the other provinces have all got the relief without promise to pay back, I ask the government now that these notes be cancelled.

Mr. BENNETT: Mr. Chairman, I would not bother taking up further time were it not for the fact that the hon. gentleman's statement is hardly correct. Saskatchewan was the only province in which the dominion paid the whole of the relief within a limited area. I may say that the question as to what should happen with respect to any moneys received in repayment, has engaged the attention of the government on more than one occasion, but the sum received was so small that no action was taken. I am not sure whether or not in the last discussion that took place with the treasurer of Saskatchewan it was intimated that it might be desirable to cancel the notes; at any rate the question has been under discussion on several occasions. The situation in that area is entirely different from any other, that being the only part of Canada in which the relief was paid wholly by the dominion government, and no one has yet been able to say that those who gave these notes have now made up their minds that they desire to have the relief given treated as charity and not as a loan.

I can say at any rate that there is no intention on the part of the government to take any steps to enforce payment of notes. I say that to the hon. gentlemen. That was stated to the Saskatchewan government, I am not sure whether it was stated in this house or not, but both the hon. gentlemen can rest assured that no steps will be taken by the government to endeavour to collect the amounts. But the hon. gentleman must get it clear in his own mind that this is the only case of its kind that there is in Canada. It is the only part of Canada in which the dominion government assumed the total responsibility. Perhaps it will be recalled that on a certain day in July I intimated that a national disaster had occurred by reason of the destruction of the crops in that area, and we treated it as such. I do not know that any further assurance need be given that no one would think for a moment of taking any action to enforce payment, but in view of the difference of opinion entertained by some who received the benefits it would be a little difficult to make the statement that the hon. gentleman suggests should be made.

Mr. VALLANCE: I spent a few days in Saskatchewan within the last two weeks, and I know, and I think the Prime Minister realizes just as well as I do, the difficulty the farmers there—and in fact in all western Canada—are having to-day. If assurance were given by the government that these notes would not be collected I think many who now owe this money to the government or to the relief commission might find it easier to finance the putting in of their crop this year. I can assure the Prime Minister that it is not for any political reasons that we say what we are saying to-day, it is merely in the interests of those in the province who are attempting to carry on.

Mr. HEAPS: Could the minister inform the committee to whom the notes are made payable?

Mr. GORDON: I am inclined to think that the notes are payable to the relief commission. That was a commission set up by the province of Saskatchewan at the request of the dominion government to supervise the carrying on of relief in that area that had suffered successive crop failures. The notes are payable either to the province or to that commission.

Mr. HEAPS: Have the dominion government themselves insisted on these notes being made in favour of the Saskatchewan relief commission or any other body? And do the government ask for a refund of their portion of any money collected by any of these public bodies that was paid out for relief?

Mr. BENNETT: The hon. gentleman I think has still an erroneous understanding of the situation. No notes were given after the first year, as far as I have been able to ascertain; that is, by the end of 1931, outside of seed grain notes, none were given. The giving of the notes that were given came about in the way I have indicated. Relief is administered in Saskatchewan through the provincial administration by means of money received from the dominion, just as in all the other provinces, except in the devastated area during the first year, or down I think to 1931—perhaps the hon. gentlemen who have all these matters before them will be able to give me the accurate date. But the report of the auditor general refers only to the period in which certain moneys were received, namely, in 1932. I speak subject to correction but I believe that the only case in which notes were given with respect to relief were in the wholly devastated area, where the dominion government assumed the whole responsibility; and the reasons they were given are those which I have indicated. There is still a sense of pride among some of the recipients, to the extent that they have paid $8,000 to this government on account of the relief then received. My memory is that the notes were taken either in the name of the province or in the name of the relief commission, which of course was administering dominion relief. In order that it might be a proper commission we asked the province to appoint it, as we have no power to interfere with provincial matters, they appointed the commission at our instance and it has continued to function since then for the province with respect to provincial relief.

Mr. HEAPS: If I may continue along that line for a moment, my inquiry was a little wider than the answer given by the Prime Minister. I know that in some parts of the country notes were given by recipients of relief at the instigation of the municipal authorities.

Some hon. MEMBERS: No.

Mr. HEAPS: Saskatchewan is not the whole of Canada; there are other parts of the country as well. I know that in Winnipeg notes were given by these recipients of relief, and perhaps in some instances some money was returned by them after they had received a certain amount of relief from the local authorities. It was in respect of that form of relief that I was asking whether the dominion government was a party to the request that the recipients of relief should sign notes so that some day they might have to pay back what they had received by way of assistance. I know that in Winnipeg these notes were signed to a very large extent, and there was a great deal of complaint in regard to that practice. I presume, and indeed I am fairly sure, that the attention of the Minister of Labour was directed to this fact during the course of the discussion either last year or the year before. I feel that when a person is in a position to repay the money he has received, that is a very nice thing, but I think in ninety-five per cent of the cases the signing of notes simply means an added burden upon people who probably never will be able to pay back what they have received. I want to know if the dominion government was a party to the request that these notes be signed by those receiving public relief outside of certain areas in Saskatchewan, and whether the government has obtained any funds as a result of these notes having been signed.

Mr. GORDON: Mr. Chairman, the answer is no.

Mr. VALLANCE: It is rather regrettable that we should get these things all mixed up. We were dealing with the province of Saskatchewan. In reply to what the Prime Minister has said may I say that I hold in my hand the appendix to the report, dated June 27, 1932, and headed Investigation of Saskatchewan Relief Commission. I turn over the page and I find a copy of the application for relief made to the Saskatchewan relief commission, at the foot of which I find the note which the applicant is required to sign. The note reads as follows:

I, ... the above named applicant, hereby faithfully promise and agree to pay to the Saskatchewan relief commission on behalf of His Majesty the King in the right of the Dominion of Canada,—

I think this proves conclusively that this government has absolute control as to what should be done with these notes, which are payable to the commission on behalf of His Majesty the King in the right of the Dominion of Canada.

—on or before the first day of November, A.D. 1933, the full value of all relief now or subsequently obtained by me from the Saskatchewan relief commission at the values or prices stated by the said commission.

I think my question was quite in order. Now that these notes are payable to the Saskatchewan relief commission on behalf of His Majesty the King in the right of the Dominion of Canada, I believe this government has the power to say now what it proposes to do with these notes. And might I tell the government again, most emphatically, that we are not attempting to play any politics in this matter; just as much credit will go to the government as will go to those of us who are pressing for this action. If it were not that we are so well aware of the condition that exists out there to-day I do not think we would be pressing this matter, because we are in agreement with what the Prime Minister has said. There are many in western Canada who want to pay back one hundred cents on the dollar, in spite of what may be the opinion in eastern Canada. But in view of the fact that in some other portions of Canada those receiving relief have not been compelled—I will not say compelled —or asked to sign notes I think it would be a very fine gesture on the part of the government if they would now state that these notes will not be collected, so that these farmers may put in their crops this year without fear.

Mr. BAKER: May I ask the hon. member this question: If some of these borrowers have the desire to pay back what they have received, does he not think they should be permitted to do so? There are certain people who like to pay back what they borrow, and they should not be deprived of that right.

Mr. VALLANCE: I do not wish to enter into any discussion with those who are not responsible for putting through this measure, but I will say to the hon. member that when these people said they would like to pay back this money they had some hope of being able to do so, because of the promises that were made by the Prime Minister previous to the last election. As a result of those promises they hoped that at some time during the administration of this government they would be able to pay back these amounts, but now they find themselves in a worse plight than they were when the promises were made. For these reasons I suggest that the government take this action.

Mr. BENNETT: The observations of the hon. gentleman are so wholly non-political and so disarming that I hasten to assure him that the government will give every possible consideration to what has been said. There is no intention of instituting any proceedings, he can tell his friends, to recover these amounts, but at the moment I am not going to make any statement in regard to cancelling these notes. Some of these people do not desire that they should be cancelled, and in addition some of them have sent in payments on account, without being asked to do so. So far as I know no person has been asked to pay a cent on these notes. What the hon. gentleman said a moment ago is quite correct; I was not aware that this action had been taken until I was informed that these notes had been given in this form. It came about as I have indicated, but it must not be forgotten that relief is given by municipalities, this being the only case in which the dominion has afforded all the relief. Notes are being taken by municipalities, as the hon. member for North Winnipeg (Mr. Heaps) has stated, and some of these municipalities might be embarrassed if we took the action suggested by the hon. gentleman. The matter has been discussed by the Saskatchewan government; I think the hon. gentleman knows what has transpired in that regard. My memory is—I still speak subject to correction, because I have so many things to think of—that an assurance was given that no proceedings would be taken to collect these notes. I give that assurance to the hon. gentleman and to the house at the present moment, so that his friends need not fear, in putting in their crops, that if they succeed in getting a crop any proceedings will be taken to deplete their assets in regard to the notes which have been given. As a matter of fact they are not negotiable securities in their present form, and I think the assurance we have given the house to-day will have the desired effect in regard to those concerned.

Mr. HANBURY: When dealing with the provision in regard to peace, order and good government yesterday the Prime Minister referred particularly to the necessity of maintaining this particular clause because of certain actions that had been taken by certain provinces, particularly the province of British Columbia. His words in that connection were:

> These developments have created a situation far different from that we have had to meet at any time previously in this house.

Later I directed a question to the Prime Minister which he did not see fit to answer, the question being as to what action any provincial government could take, even under the enlarged powers which they have taken to themselves, that could in any way inter-

fere with any federal statute. As I have said, the Prime Minister did not answer that question. Now I should like to direct it to the Minister of Labour, and ask him to give me that information.

Mr. BENNETT: A question of opinion is always a matter that is in no sense settled by the expression of one's views as against the views of somebody else. It need hardly be said to anyone who is familiar with the working of our constitution and the decisions under it that if the executive of the province is capable of exercising all the powers that the legislature can exercise under section 92 of the British North America Act, and can issue ordinances which have the effect of law, then the desirability of the dominion being in a position to take steps that may protect the federal interests goes without saying, and to legislate for peace, order and good government might conceivably be the only way in which it could be done. That is my view. That is the position which I present to the house as one of the not unimportant reasons why this legislation is sought. I merely mention it in passing as indicating a condition that was entirely different from the condition that prevailed a year ago. That provincial legislation, if in excess of provincial powers, may affect federal laws goes without saying because the books are full of cases in which that has happened. It happened in connection with a statute passed by the legislature of British Columbia regarding the sale of milk, and it was held by the privy council that the statute passed by the legislature was invalid because it encroached upon the federal power and was ultra vires of the provincial legislature. That was a statute that was published and was known to the federal authorities as a statute. If the province in the exercise of the power conferred upon the executive promulgates ordinances, this well may be the only way in which the federal power can be exercised because the ordinances, not being statutes, cannot be disallowed, and the only appropriate action would be under peace, order and good government.

Mr. HANBURY: The Prime Minister says that the federal government would be unable to disallow the ordinances, but it could of course disallow the whole Special Powers Act. The Prime Minister has given reasons with which I am not going to disagree altogether why it is perhaps advisable not to do that. The point I have in mind particularly is this. I cannot see what action the provincial government can take within the powers given to the province by confederation that would in any way interfere with the powers of the federal body. I think that is something that should be very clearly defined because it is quite evident from the actions of some of the provincial governments that they do not know it.

The Prime Minister, referring to-day to the amendment which he was prepared to consider, says that he wishes to retain the phrase "notwithstanding" and so forth, in connection with the relations of the federal government and the provinces. In that connection would it be reasonable to assume that notwithstanding any arrangements that have been made to subsidize provincial governments, under this legislation the government might change or alter in any way the amount of the subsidy now being received by a province?

Mr. BENNETT: That is an imperial statute, as perhaps the hon. gentleman knows. In addition to that, there has been a sanctity surrounding subsidies which has prevented the dominion from declining to pay provincial subsidies for the purpose of enabling debts due the dominion by the province to be liquidated. I suppose the hon. gentleman knows that that situation did once exist. The point I desire to make, and I am trying to make it as clear as I can, although it is a lawyer's point, is that the provincial executive in the exercise of the powers conferred upon it by that statute passed by the province does not pass statutes but promulgates ordinances, and such ordinances not being subject to disallowance under the provisions of the British North America Act might conceivably, as many provincial acts have, infringe upon the federal power, and in order that the federal power might be able to deal with that situation promptly—a particular case that I shall not mention is well in my mind—having no power of disallowance of an ordinance the use of this power might become imperative in the national interests. It might be very desirable to act quickly. But that is purely a legal point. I do not put it forward as a matter that should be seriously considered because I hope that none of the provinces would even attempt to exercise the power in such a way as to set at naught the whole system of the constitution. But one never knows what might happen in view of the statements that have been made, especially by the attorney general of the province, when inviting the federal government to disallow the statute. If the papers correctly reported his speech it is quite obvious that some power must be placed with the federal authority in order that it may maintain its position having regard to the fact that the maintenance of our national

credit is a matter that is very important in the minds of all those who know anything of our business; and our efforts to do that when the province conceivably might, to put it that way, be aiming to prevent us doing it, makes the position one of great difficulty. I am not going to enlarge upon that situation. There it is. I have discussed with my colleague the Minister of Justice (Mr. Guthrie) the seriousness of the legal aspect of it. This is merely to take care of a contingency that may arise. I mention it now as I mentioned it yesterday as an illustration of one of the difficulties that has arisen.

Mr. HANBURY: So that there may be no doubt in my mind, would the Prime Minister consider this point? Conceivably an ordinance of a provincial government might involve some act that would be inconsistent wtih the powers granted to the province under the act of confederation. Am I correct in that?

Mr. BENNETT: That is the point I was endeavouring to make. Assume they pass an ordinance of the type or character of the Milk Act which was declared to be ultra vires; we would have no way of dealing with that under the constitution except under peace, order and good government, because it it not a statute; it is an ordinance which is not subject to disallowance like a statute is subject to disallowance within a certain period of time, after having been certified by the Secretary of State and gone forward to the Minister of Justice who makes a report upon it, and the statute is then disallowed or left to its operation, as we say. But having no power to disallow an ordinance, if there is not a clear understanding by the province of the limitations imposed by the constitution upon the exercise of the power, the executive might enact ordinances that not only were not within section 92 of the British North America Act, but which contravened section 91. It would not be the first time that has been done by legislatures. Almost every province at one time or another has passed a statute which the courts of the country have declared to be invalid. I am putting a case in which to await the decision of the courts might bring about a very grave disaster. It is a lawyer's point and one which unfortunately I cannot perhaps make very clear to my colleagues who are not of the legal profession. I am only pointing out a contingency which might arise, and which we are endeavouring to meet before it happens.

[Mr. Bennett.]

Mr. NEILL: The Milk Act to which the Prime Minister referred was not disallowed by the federal government but was allowed to go in the natural course to meet its waterloo in the privy council. Could not that be allowed to happen with these possible ordinances?

Mr. BENNETT: Quite so, but the distinction between the statute and an ordinance is at the basis of the whole argument I have made. In the one instance there is the exercise of powers conferred exclusively upon the provincial legislatures under section 92 of the British North America Act and the other case is that in which the legislature has delegated to the cabinet or the executive all the powers which the legislative assembly has and as the result of the orders in council being termed ordinances to leave them to the operation of the law. If they went as far as they conceivably could, my view of the statements that have been made would be that you should not wait that long to take the appropriate measures by the federal authority to deal with them. That is all I desire to say. I do not say that it will arise but I say that we desire to be placed in that position. I am not expecting that when they sit down and calmly consider the matter they will pass ordinances so at variance with constitutional practice, but if they do so, I should like to be in a position to correct the difficulty.

Mr. HANBURY: Would it be correct to say that the present provincial government in British Columbia had greater powers through their ability to promulgate ordinances than their parliament, which can act only through statutes?

Mr. BENNETT: I am bound to say no to that question, but I should like to say this, and I do not say it in any offensive way. Does the hon. gentleman not think it is highly desirable to protect this parliament in the exercise of its powers from usurpation by a delegated authority especially in the light of the fact that it has seen fit to disregard constitutional practices with respect to veto and matters of that kind by delegating—it is no longer delegation—by substituting for the assembly itself? Where any legislature confers these powers upon an executive that desires to take them, the federal authorities should place themselves in position where they can meet any difficulty that might arise. I have tried to make clear that I do not suggest that the government will do it, I only say that if it does I am going to be forearmed. That is the all-important thing. I have not suggested that legally the executive has greater powers

than it has as a legislature. In my poor judgment and for what it may be worth a statute which confers these powers is illegal and the exercise of powers under an illegal statute might well be illegal. I must be able to protect the functions of this federal parliament from usurpation.

Mr. MACKENZIE KING: A sort of competitive arming.

Mr. BENNETT: No.

Mr. STEWART (Edmonton): Would it not be the logical thing for my hon. friend to disallow?

Mr. BENNETT: The British North America Act says that the statute may not reach us for one year and within that time all this harm may be done. Undoubtedly it would be logical to disallow a statute of that kind but ever since the days of Mr. Blake, parliament has declared time after time that the question of the validity or invalidity of a provincial statute should be left to the operation of the courts. I think that has been the rule with but two exceptions. One was the instance dealt with by my right hon. friend in connection with the gypsum lands in Cape Breton, in which case the provincial statute was disallowed, I think under the advice of Mr. Lapointe, as Minister of Justice. The other was in connection with a provision of the Companies Act, in which I think the advice was tendered by Sir Allen Aylesworth. The matter will have to be considered in due course when the statute is received, but it need not be received for a year. It has to be transmitted and that is an act over which we have no control.

An illustration used quite often is in connection with the Florence Mining Company. This was an Ontario statute and Sir Allen Aylesworth left it to its own operation and did not disallow. In that case a mining claim claimed by one man was declared by statute to be the property of another and it was provided that the one man should have no recourse to the courts. The case went to the privy council and although the committee may not be at all interested I might state that Sir Robert Finlay told me that he was doubtful as to the soundness of the decision. The decision was that the statute was within the legislative competence of the legislature, and its validity was upheld. The result was that by an act of the legislature of Ontario a mining claim was taken from one person and declared to be the property of another and as a result of that legislation he was declared to be unable to go into the courts for the purpose of asserting his claim. That legislation was held to be valid and the then Minister of Justice, Sir Allen Aylesworth, did not disallow it. He left it to the operation of the law although my memory is that he made a report which indicated that he thought it was very unsound. But he did not substitute his views for those of the legislature which had validly exercised its powers.

I could give the committee other instances but I hope I have indicated to hon. gentlemen some of the thoughts which are in our minds with relation to a matter of such serious moment as that to which I have directed attention.

Mr. MACKENZIE KING: A moment ago I made an interjection which I am not quite sure the Prime Minister heard. In connection with a discussion which was then taking place between the right hon. gentleman and an hon. member on this side, I stated that it might be competitive arming for legislative and executive powers. I should like to point out the force of that remark as it indicates where we can get to in matters of government once executives begin to take autocratic powers to themselves. The federal government at Ottawa has had this power to legislate with respect to peace, order and good government when parliament is not in session, and apparently that power has alarmed the provincial government. The provincial government has said: If we are going to have to bargain, we must have equally strong autocratic powers and be free to do what we wish. Notwithstanding all the laws and statutes, they took to themselves the power, when their legislature is not in session, to deal with such matters as the lieutenant governor in council deems best. Another province does the same thing, then another and another. Then the Prime Minister comes along and says to this house: Now that the provincial governments have taken these powers, I must be doubly sure of having authority to act with respect to peace, order and good government in case I have to disallow some of this legislation or if there is a dispute, to be able to meet it. It is a sort of competitive arming with respect to legislative and executive power. This is where we find ourselves when we depart from what parliament stands for, namely, a forum where matters can be settled, not as the result of an appeal to power, whether legislative or any other kind, but as the result of an appeal to reason. I think that is as strong an argument as can be put forward against the adoption of these powers which, when parliament is not in session, override the function which parliament itself is expected to perform.

Mr. HANBURY: I should like to ask the minister a question in connection with a situation existing at the present time in British Columbia. A number of men in the lumbering industry are on strike and many are being maintained on unemployment relief. An effort is being made through the promulgation of fair wages, hours and conditions of labour to bring about a minimum wage bill. If a minimum wage bill is adopted in the province and there are some who will not accept work when it is offered, I should like to know whether this government will furnish part of the funds necessary to maintain such men on relief.

Mr. GORDON: It is difficult for anyone to prophesy what might be done if certain events occurred, but I may say that in the situation outlined by the hon. member I would be a party to a contribution with a great deal of reluctance. If fair and proper wages are offered to a workman under proper conditions and such workman, able to work, refuses to do so, I should need a very great deal of persuasion before I would expend any of the taxpayers' money keeping him.

Mr. HANBURY: I should like to have a little more assurance from the minister than he has already given. The premise of my statement was that the conditions were to be fair, while men continued to refuse to work and were being maintained by the state in that condition. The particular reason why something is necessary not only in British Columbia but throughout Canada is in my opinion that at the present time there is in Canada a very large body of agitators whose business it is to see that men do not work, regardless of conditions. I think there are men in Canada to-day going among the labouring men, and if these men had ideal conditions they would still be urged not to work, and the agitators would still stir up strife. I will not say that is the condition in British Columbia at the present time, but I do say that we should have from the minister a definite assurance that if necessary the conditions in British Columbia should be investigated and if those conditions are found to be fair then a definite statement should be made that no relief would be given these striking men.

Mr. GORDON: Let me answer the question this way. Relief might be given to men who would not work under the conditions the hon. member has outlined, but so far as this government is concerned, if the wages and conditions are reasonable and fair and a man who is able to work refuses, this government will certainly not contribute to his upkeep.

Mr. MacINNIS: I am rather surprised that the hon. member for Vancouver-Burrard (Mr. Hanbury) should try to force the Minister of Labour to give an answer to a hypothetical question of that kind. There are difficulties as to who will be the final arbitrator on the question whether wages and conditions are fair or not. That is the difficulty in the British Columbia camps at the present time. The strikers have asked for a certain wage which they believe to be fair, but the logging operators are opposed to this. The question resolves itself into this: Who will be the final arbitrator as to whether the wages offered and the conditions that exist are fair or not? So long as we are under a system of private enterprise those who are going to have the final say in the matter will have to side with the private interests or they will have to side with those who must sell their labour. This is where the difficulty comes in, and I am not prepared to leave it even to the Minister of Labour to say whether the conditions are fair or not. I think the workers in industry have just as much right to have the case decided in their favour as to whether the conditions they ask for are fair or not in the premises. Do you not understand that in a class society you cannot have fairness and reasonableness except the reasonableness of the dominating class in that particular society?

Mr. HANBURY: I might undertake to act as Minister of Labour for the moment in answering the hon. gentleman.

Mr. BENNETT: Coming events cast their shadows behind.

Mr. HANBURY: I would point out to the hon. member for Vancouver South that we have a Department of Labour in British Columbia. That department hear representations from employees and employers, and on the representations made to them they decide what in their opinion are fair wages and conditions. That is the basis which I suggest to the Minister of Labour is the proper one on which to formulate a policy with reference to the giving of unemployment relief. In connection with the unemployment situation, has the government been giving consideration to the housing problem in the various cities and towns in Canada ?

Mr. GORDON: The government has given a great deal of consideration to housing construction and matters of that kind, but it

will be borne in mind that the building of houses and works of that sort are purely provincial and municipal. There was of course in force at one time—and it might be regarded as in force again—what was known as the Housing Act of 1919. The experience of the various municipalities under that act, even when times were normal, was not altogether a happy one; I am not unacquainted with its provisions and also with the methods employed to get the money over to the builder of the houses, and so on. Yes, the government has given a great deal of consideration to that matter, not only here but in conjunction with representatives of the provinces. Nothing along that line has materialized, and I am not in a position to say that it will.

Mr. HANBURY: Probably this would be more apropos of expenditures of the government for the construction of public works, but I would suggest to the minister that the government give very serious consideration to the matter of housing in Canada, and in connection with the provinces and municipalities. The minister is no doubt thoroughly familiar with the very large number of people who are engaged in the construction business during a normal period, and as a matter of fact, if we were in a normal construction period, we should have very few unemployed in the dominion to-day. I think the minister will agree with that statement to some extent. I do not think that the construction of large public buildings will put to work as many people as would the construction of smaller homes and repairs. I suggest to the government that they consider loaning money to municipalities for the purpose of housing construction. At the present time, as the minister is aware, it is almost impossible to procure money under mortgage by virtue of the financial situation in Canada. If money were available under mortgage a great deal more construction would already be taking place. I suggest to the government that if they would see that money is made available at a low rate of interest to the provinces and the municipalities, for which money the municipalities particularly would become responsible, to encourage the construction of smaller houses and even repair and painting work, that would put many more people to work than would be the case through any general scheme of large building construction for federal or provincial purposes. I would be glad if the minister or the Prime Minister would give consideration to that suggestion when the bill in connection with public works is brought down.

Mr. GORDON: There is a good deal in what the hon. member for Vancouver-Burrard has said, but it must again be borne in mind that this and the preceding government made it very clear that if we are going to preserve even a semblance of our constitution, we cannot deal directly with municipalities. If, however, it seems desirable, the matter might be approached from another angle, and I have no hesitation in assuring the hon. member that the suggestion will be given thought and consideration. But let me point this out with respect to the advancement of moneys on mortgages: from the investigations that I have made I hazard the opinion that the constant passing of moratorium laws by our provinces with no indication that those laws will not be extended, has perhaps done more to dry up the well of mortgage money than any other action taken by the provinces. I have no control over what the provinces may do, but I know personally of many people who would build and of many who would lend money, but they are fearful that the moment they lend on a mortgage some act like the moratoriums that have been passed by a number of provinces will be put into operation and their money will become tied up ad infinitum with no remedy or redress left to the lender. Those, however, are matters that will be given consideration.

Mr. MITCHELL: I think the governments themselves killed the building industry by the enormous interest rates paid by municipal, provincial and federal authorities a couple of years ago when money borrowed by municipalities cost as high as seven per cent. At that time we saw an immediate falling off in the building industry in this country. There was an example recently where Ontario raised, I think, some $40,000,000 at four and a half per cent, and the amount was over-subscribed in two hours. Why should it not be? Another example was in the city from which I come where they were able to borrow money a few weeks after much cheaper than the province itself could. If the federal government are to be wet nurses to the lenders of money we shall never get anywhere.

The development of the building industry in Great Britain is a clear indication of the absolute necessity of either lowering interest rates by legislation—and it will have to be done whether the government likes it or not—or setting in motion a policy whereby people can borrow money at low interest rates so as to press forward a building construction program that will provide homes for our Cana-

dian people. What I am most concerned in at the moment is, of course, that in view of the fact that the government have announced their intention of launching a building program, it should be gone on with at the earliest possible opportunity. It is a fair observation to make to say that 95 per cent of the building tradesmen in this country are at present out of work. We are now reaching spring time and we have had no announcement from the government in connection with the intended building policy. We will drift along possibly until the fall—

Mr. BOUCHARD: The fall of the government.

Mr. MITCHELL: There may be some truth in that. We will drift along possibly until the fall before the necessary machinery is set in motion to begin this building construction program. What I am most concerned about is that the government should hurry forward this building program so that the tradesmen connected with that industry will receive the benefit at the earliest possible moment in the spring of the year. It is a well known fact that 80 per cent of the money expended in buildings of any character goes directly in wages, and it would be far better that this program should be pressed forward with vigour than that we should continue to support on relief our building tradesmen and others in trades allied to that industry. There may be some quarrel as to the proper policy to adopt, whether it should be houses or large buildings, but in view of the fact that the government has apparently made up its mind as to what it is going to do, I see no reason in the world why the policy should not be pressed with vigour and why the opportunity of work for those men engaged in the industry should not be provided at the earliest possible moment. I thought the Prime Minister might have been able this afternoon to give some indication to the people engaged in the industry at what time, and I hope in the not distant future, they might expect some relief brought about by the setting in motion of the policy in question. The keystone of the building industry is interest rates and unless the situation is met in one way or the other I see no hope for the money flowing into the channels that provide the driving force for the building industry of this country.

I would like to ask the Minister of Labour or the Prime Minister whether the anticipated building program is to be carried out in conjunction with this particular measure or whether a separate bill is to be brought down?

[Mr. Mitchell.]

Mr. BENNETT: It has already been indicated once in the house that there will be a separate measure.

Mr. MITCHELL: Might I ask the Prime Minister how soon we may anticipate that it will be brought down? I ask that in view of the anxiety of these men to get to work.

Mr. BENNETT: I do not know how soon the hon. gentleman might anticipate it, but any reasonable anticipation that he may have I fancy will be realized in the not too distant future.

Mr. MITCHELL: I do not think the Prime Minister should try to be clever over a situation of this description. I quite appreciate the fact that most hon. members have very little worry so far as the next meal is concerned, but coming from a large industrial riding I know these men are anxious to get to work and the Prime Minister could easily have said: We anticipate bringing this bill down in a month or two months, instead of treating the matter with the levity he has shown.

Mr. STEWART (Edmonton): The discussion has been interesting in connection with this very important matter, for I take it that there is before the house and the country no more important matter than the bill which we are now considering. While we may read of improved conditions, so far as I can discover, only the fringe has been touched in the way of improvement from one end of Canada to the other. We are now entering upon the fourth year in which the government of Canada and the provincial governments have to provide relief for a great many people. While I am heartily in accord with the granting of relief I am just as unalterably opposed to this bill as I have been to previous bills of the kind. In 1930 the government introduced a bill appropriating $20,000,000 for unemployment relief, and parliament gave them authority to spend that amount of money. True the government did not provide a program in relation to the expenditure proposed, as is usual in voting money under estimates, but it was well understood that the money was to be expended, through the agency of the provinces. I remind the government again that the moment they took office they turned right about face with respect to their promises to the electors, who were told by the Prime Minister and the Conservative candidates that unemployment in June 1930 had reached such proportions as to be beyond the competence of the provinces and the municipalities to deal with and had become a na-

tional question. The moment the government took office they were voted $20,000,000 for the purpose of carrying out their promises, and proceeded to spend it in the very manner that they had condemned when appealing for support—through the agency of the provinces. No elector in Canada believed for a moment that if the Conservative party were returned, as they were, the full responsibility for the administration of relief in Canada would not be assumed by the federal government. Not only that, but they said they would commence great public works, not in the name of the provinces but in the name of the federal government. But now when the hon. member for East Hamilton (Mr. Mitchell) tries to ascertain whether or not that long belated promise is to be fulfilled, he receives no assurance that speedy action will be taken.

We hear rumours around the corridors that a large program of building construction is to be launched by the federal government. Personally I hope this is true. I think the government made a tremendous mistake in making these spacious promises to the electors and then failing to carry them out. Then too, we have had ample demonstration yesterday and to-day that legislation of this kind always has an effect upon the originators of the legislation that was not expected. We have now two provinces in Canada emulating the actions of this government, taking drastic powers from the legislatures for the expenditure of money, and of course while our friends opposite think it is all right for the federal government to have such drastic powers, it is not so good when these powers are sought by the provincial governments.

One thing which is scarcely ever mentioned on the floor of this chamber, and which in my opinion contributes very largely to our present difficulties, is the action this government have taken in regard to fiscal matters. I do not say it was the only cause, because undoubtedly world conditions contributed in large measure to bringing about the present situation. Conditions are deplorable; no wonder the provinces are at the end of their tether. When one observes what this government have been forced to do in order to preserve the financial standing of the provinces, one begins to wonder what the end is to be. I do not care to be one of those who cry "wolf, wolf," but, having had some executive experience, having been thirteen years in this parliament, I have very grave doubts as to the ability of the Canadian people to meet the obligations they have assumed. Had a different fiscal policy been pursued by this government we would not be in the position in which we are to-day. I have never changed my mind about that. I am not going to refer to conditions that prevailed under a different fiscal policy, but I do say that an important factor in bringing about the conditions that exist to-day has been the fiscal policy of the government, their refusal to allow trade to take place in Canada, in order that they may protect a certain section, a certain class. I say that in all sincerity. Where do they find themselves to-day? They have ruined a major industry in Canada. We are in the unfortunate position that Canada's major industry has large accumulations of its products on hand that cannot be sold. Not only that, but the prices of its products have been ruinously low. Then on top of that, something for which the government is not responsible, there was the disastrous drought in the southern sections of the western provinces.

I am not going to complain about the action of the provinces in connection with the administration of relief. I believe the provincial premiers were justified in assuming that when this government took office they were going to administer relief and take the responsibility for it. I certainly thought so. Not only that, but on the public platform I argued that the only logical way in which relief could be administered was through the agency of the provinces. The electors, believing that the Conservatives, if given power, were going to assume this responsibility, cast their ballots for supporters of that party, and now hon. gentlemen opposite are in the seats of the mighty and have to take the responsibility. First the government throttled trade, brought it almost to the vanishing point; by embargoes and every device known to governments trade was prevented. What is the result? First, a diminution of revenues. Did their fiscal policy give employment in Canada? It did not. The very thing the Prime Minister deplored was done. I have his words before me—he said he was not going to stand for the dole; he was going to give work to every one who would work. He did not say the provinces were going to do it; he said: "I am going to do it if I am returned to office," and naturally everyone who was out of work expected him to keep that promise.

Mr. MACDOUGALL: Will the hon. gentleman permit—

Mr. STEWART (Edmonton): The hon. gentleman will be given his chance when his time comes. Then we find that through the agency of the provinces and the municipalities $110,000,000 of federal government funds have been expended in addition to the provincial funds, not in giving work but in direct doles.

Mr. BENNETT: Oh no, be accurate.

Mr. STEWART (Edmonton): Well, I would like to know where the work took place. I have the figures here as far as work is concerned. But let us say that at least three quarters of it was expended in doles or direct relief in all the municipalities in Canada, in addition to the expenditures for work, which appear on another page and to which I shall refer later. That was the response to the statement given to the electors which I for one believed was intended to be fulfilled—that work was to be provided and not doles; but up to the present, almost four years having elapsed, with the single exception of the relief camps, which are practically the same thing, we have had for the most part nothing but doles or direct relief. Now it is announced that we are to have a building program, so that this promise is about to be kept.

In addition, let me say this; let us give credit where credit is due. Let us give credit to the government for having accepted the responsibility they said they would accept in connection with granting $22,000,000 for relief in the province of Saskatchewan, under their own control and administered by their own organization. Whether or not they get the money back; whether or not it is ever returned to them, the need was great and could not be attributed to any action of theirs. In my opinion they are to be commended for what they did on that occasion. But to what condition did they bring the provinces? The provinces found themselves unable to finance themselves because of economic conditions throughout the country. I do not say the provinces were wise in their administrative methods; I do not say they were warranted in making the expenditures they did make or in incurring the liabilities they did incur, but at all events they did what everyone else was doing at that time. They did spend money that perhaps would have been better left unspent; they did incur obligations that I am sure every provincial official devoutly wishes to-day had not been incurred. But, because of economic conditions in this country which I say are at least fifty per cent attributable to the policies of this government, the provinces find themselves in their present unfortunate position. The Prime Minister takes the ground that we must have sound money in Canada and that we must pay our debts. Paying our debts is a laudable thing; no one desires to disregard that obligation, but those provinces were not in a position to pay their debts.

[Mr. C. A. Stewart.]

Mr. MACDOUGALL: To what provinces does my hon. friend refer?

Mr. STEWART (Edmonton): The western provinces found themselves in the position that they could not pay their debts, and we have to come to their rescue. So we find vast sums of money being loaned to the provinces in order to carry them over this difficult period.

Mr. MACDOUGALL: The western provinces.

Mr. STEWART (Edmonton) Quite right; I do not refer to the eastern provinces at all. But I say again that this government cannot escape responsibility in this connection. You cannot have two hundred million bushels of wheat in the elevators of western Canada and be able to pay your debts; I think that goes without saying. You cannot have the markets closed against your live stock and pay your debts. This government has done nothing in the way of seeking wider markets except through the agency of the imperial agreements, and even that ray of hope seems to be dimming when we see the reports in the press from day to day as to the attitude of the British government with respect to those agreements so far as they apply to live stock and live stock products. Even that avenue seems to be closing, and the outlook seems extremely dark when the one ray of hope we had in connection with an assured market for our live stock and live stock products seems about to vanish at any moment.

I am not going to deal with the provisions of another bill that will be up for discussion later, but let me say that since this government took office we have had nothing but restriction all along the line. We have had no attempts to open the channels of trade; we have done nothing to try to relieve the railway situation or the shipping situation. All avenues of business that would give employment are being closed day by day. I notice that the report of the bureau of statistics states that this year fourteen thousand more cars were loaded and moved than was the case last year, which was the zero year in transportation. That is encouraging, but the hope it holds out is so small and so meagre that it does not give very much encouragement for the future, and now that the agriculturists of this country are on the verge of bankruptcy we are going to do something to relieve them. I had better not touch upon that, however, because that is another question. I simply say, in the light of what

the Prime Minister stated in his pre-election promises and in the light of the results that there has been no promise fulfilled up to date except the promise to increase the tariff, and that has been implemented one hundred per cent. That promise was kept, with the disastrous results that we have seen and that are shown from time to time by statistics which are released by the government.

I do not know that this government can criticize provincial governments very much for the position in which they find themselves. I do not know that the provincial governments have gone into debt any faster than this government is going into debt. This government said it would accept the responsibility. It has accepted the responsibility for thirty per cent of the expenditure in regard to relief, with the exception of the $22,000,000 and some other amounts that have been expended directly. The situation of the provinces and municipalities to-day is such that I do not wonder that the Prime Minister wants very drastic provisions retained in this act in order that he may deal with the situation. I am very much afraid that from a financial standpoint he will have to continue to deal with it as long as the finances of the dominion government will stand it. We must stop somewhere, however. Despite the statement that we hear from time to time that we are to spend a large sum in the construction of public buildings this year I do not believe this will relieve the situation at all. The situation never will be relieved until men get work. To me it seems useless to talk about the extension of credit, the wider circulation of money and all the other panaceas that are offered; if men do not have the privilege of working and earning a livelihood then we will continue to have depression and hard times in this country. No government can assume the responsibility of keeping a large proportion of its people on the payroll of the government; that is out of the question. If fiscal policies are to prevail that will prevent men from getting work and prevent businesses from expanding, the present condition will continue until a change is brought about.

I was rather astounded the other night when the minister in charge of this bill gave us a resumé of the actions that have been taken under the provisions of this act, altogether outside the purview of relief. When we find authorized under this provision advances of $15,000,000 odd to Beauharnois, advances to the Dominion Steel and Coal Corporation of Nova Scotia for the production of fifty thousand tons of steel rails, and advances to the Algoma Steel Corporation for the production of thirty thousand tons of steel rails—

Mr. MACDOUGALL: Does my hon. friend object to that?

Mr. STEWART (Edmonton): Yes, I absolutely do because the parliament of Canada was never consulted about it. Advances were made to the Algoma Steel Corporation of $660,000 for the production of thirty thousand tons of steel rails, and guarantees were given to the banks in connection with the Canadian Pacific Railway of sixty million dollars, also advances to the government of Newfoundland —all done under the provisions of this legislation. I may be pardoned for saying that I do not know what obligation Canada had to Newfoundland, and particularly what obligation that would require action to be taken under this measure. This bill, Mr. Chairman, is just as vicious in taking from parliament its authority over expenditures as all the preceding measures. The Prime Minister pointed out yesterday that this provision was invoked when Great Britain went off the gold standard, to prohibit the export of gold from this country, but outside of that there have been very few instances in which the drastic powers conferred by this section have been invoked. Now we are told that because two of the provinces have taken advantage of a situation similar to the situation indicated by this government, it becomes necessary to retain these drastic powers so that the dominion government may be in a position to deal with them. It is a vicious circle that is widening all the time, as was pointed out by my leader this afternoon. It is the same vicious circle that we see extending throughout the world to-day and which is bound sooner or later, unless we do something to counteract it, to create a war which we shall all deplore. Restriction of trading, restriction piled upon restriction, with consequent unemployment everywhere until we have a condition of affairs that sooner or later will lead to revolution. But when the time comes when we are unable to continue this sort of thing and are unable to borrow money—we have not touched the fringe of the difficulty yet—I want to know what the people of this country, highly civilized as we claim to be, will do then. What will happen to us? That is something which I trust will never come about, but I do say that ten millions of people, and after all it is our people who constitute the real wealth of this country, cannot shoulder this burden much longer.

Something must be done to bring about a cure or the consequences will be disastrous indeed.

May I say that I have made some examination into the report of the gentleman who under the control of the auditor general audited the accounts in the province of Alberta. I do not see very much wrong with those accounts. I have not very much to complain of.

Mr. BENNETT: There are a couple of errors that might easily be corrected.

Mr. STEWART (Edmonton): But I do say this, because I want to be perfectly fair in my statement, that the federal government should either accept the word of the province through its auditors or do even now, late in the day as it is, what I always felt they were going to do, namely, take the whole responsibility for relief under a minister of the crown or under a commission which would have complete control of the expenditures. I for one felt that that was the intention of the government and I have not hesitated to say so upon every occasion when the matter came up for discussion.

Mr. BENNETT: The hon. gentleman knows that some of the provinces do not agree to our taking it over.

Mr. STEWART (Edmonton): I knew that before the right hon. gentleman spoke. I knew it would be resented by the provinces. I am simply pointing out what my right hon. friend himself said when he appealed to the electorate of this country.

Mr. BENNETT: That is not what I stated at all. Produce it; read it.

Mr. STEWART (Edmonton): I have my right hon. friend's words before me. In speaking in Montreal on July 18, 1930, he said:

> Canada is now in a critical condition. Unemployment exists on a scale never before known in the history of this country. All this by reason of the policies of the Ottawa government.

Again, speaking in Montreal on June 27, he said:

> Unemployment has become a national problem in Canada. It is the direct result of nine years of unsound economic policies applied by Liberals under Premier King, and the King government cannot escape the charge of having neglected to realize that the first duty of the Canadian government is to provide work for Canadians.

Again, in Calgary on June 13, he said:

> I am convinced this unemployment has now ceased to be local and provincial and has become national in its importance. It has reached far beyond the narrow confines of Calgary or Alberta and is stretching into the broad confines of our dominion. I will not permit this country with my voice or vote to ever become committed to the dole system. I will not permit those to share in any benefits that may accrue unless they are willing to work, if they are fit to work, and my duty is to provide them with work to do. . . . There are great national works that may be undertaken in times of stress and strain. . . . They will be undertaken, and I propose that parliament shall formulate a definite plan for permanent relief, and that parliament shall deal with this national problem and provide amelioration for the conditions in order that next winter the Canadian people may not be facing the crisis that is upon us without having a remedy at hand.

I do not think I need to read any more, but I have here a great many statements of a similar character that were made by the right hon. gentleman. I say, as I have said on former occasions, that I assumed the right hon. gentleman meant what he said when he used those words.

Mr. BENNETT: So he did. I said it was a national problem, and so it was.

Mr. STEWART (Edmonton): A national problem, and you were going to provide work.

Mr. BENNETT: Certainly.

Mr. STEWART (Edmonton): And not doles.

Mr. BENNETT: We did not provide the doles. The provinces provide the doles.

Mr. STEWART (Edmonton): That is a terrible admission. I wonder what my right hon. friend would have said to my leader if he had been sitting over there and made any such reply as that. I have sat in those seats opposite and listened to "red-blooded" Canadian talk and all sorts of criticism, and I have often wondered as I have sat in my seat on this side what the right hon. the Prime Minister would have said if he had been sitting over here and we had been over there.

An hon. MEMBER: You are glad you are not.

Mr. STEWART (Edmonton): Had we been over there Canada would not have been in the deporable condition in which she is today, and we would not be in the position of having to find excuses for failing to carry out a program such as my right hon. friend enunciated, not at a convention, but from every platform in Canada when he was speaking as the responsible head of his party.

Mr. MACDOUGALL: Not a five cent piece for the unemployed.

Mr. STEWART (Edmonton): Doles for the unemployed, when work was to be provided for them. And to-day we are asked to give the government a blank cheque to assist in giving more doles. We are to be asked to vote large sums of money for the purpose of starting public works, and when public works were started by this government they were started in camps administered by the Minister of National Defence. Do you call that pay for work? I am not complaining but if hon. gentlemen think that they have carried out their promises, they are welcome to all the comfort they can get out of that. So far as I am concerned I propose to state here and tell the people in the country exactly what you did and then ask them how far they think you have carried out your promises.

Mr. MACDOUGALL: What about the $20,000,000 for the unemployed?

Mr. STEWART (Edmonton): What about it?

Mr. MACDOUGALL: You voted against it.

Mr. STEWART (Edmonton): That is once when hon. members opposite had the courage of their convictions and brought down a stated amount and gave parliament an opportunity to decide upon it.

Mr. MACDOUGALL: You voted against it.

Mr. STEWART (Edmonton): But you are not doing that to-day; you are asking for a blank cheque and all sorts of arbitrary power to deal with this matter. You are asking us to support you in this and to be parties to the usurpation of the powers of parliament.

Mr. BENNETT: You are wrong.

Mr. STEWART (Edmonton): But we refuse to do it. As long as I have the honour of occupying a seat in this chamber I shall continue to refuse to do it. I am opposed to the provisions of this bill; I am not opposed to the assistance which will be rendered under it through the agencies of the provinces, but I am opposed to the method by which it is done. That is the objection I want to register. The statements which hon. gentlemen have made in connection with having carried out their promises are the most lame and lamentable that any government has ever presented to parliament. May I say with all vehemence that you cannot escape a fair share of the responsibility for the condition of things to-day by persisting in a fiscal policy which is absolutely ruinous to a large portion of Canada. These are the things I want to say on this occasion and possibly I will repeat them later when another bill is up for consideration. The vicious circle keeps ever widening. As I stated a few moments ago, because the government finds agriculture in the deplorable condition in which it is to-day it is seeking to ameliorate that condition by bringing about another which is just as vicious as some of the fiscal policies which it has put into force and which have brought about ruinous results to Canada.

The CHAIRMAN (Mr. MacDonald, Cape Breton): Shall the amendment carry?

Mr. BENNETT: Let us clear the air a little. Are we considering the amendment of the right hon. the leader of the opposition or the one which we propose?

Mr. STEWART (Edmonton): We propose to let our amendment stand; the one offered by the government does not help the situation at all.

Mr. BENNETT: Then we will vote upon that amendment.

Mr. HEENAN: During the discussion yesterday afternoon I asked the Minister of Labour (Mr. Gordon) a number of questions, and in answer to one of them he stated that so far as he was aware there had been no application by the government of Ontario for a contribution toward the works to be carried on in that province. I should like to know if that statement applies to the other provinces.

Mr. GORDON: When the hon. member asked me the question I believe he was referring to a newspaper report in connection with some works which the government of Ontario had stated that they intended to commence. I was asked if the provincial government had approached this government for a contribution towards the works referred to in the press, and I replied in the negative. The obvious reason for our having received no request from Ontario is the fact that we have no authority to enter into any agreement, this authority having lapsed through the effluxion of time. The provinces are well aware that the statute expired on March 31. If this legislation goes through and the provinces find they are not able to carry on, I have no doubt that they will confer with the dominion, but we have had no inquiries other than the general discussions which took place at the dominion-provincial conference. Those

discussions had no reference to specific works which might be carried on this summer. I do not know that I can add anything to what I have said. Outside of what appeared in the press, and I did not know it was in the press until the hon. gentleman referred to it, I do not know of any program contemplated by the province.

Mr. HEENAN: Is there not an agreement or an understanding between the federal government and the government of Ontario, or the other provincial governments, with respect to the completion of the highway known as the trans-Canada highway? Does this agreement run for only one year or is it continuous? The largest portion of this highway traverses Ontario, and I should like to know if there is not an agreement or understanding that the government will continue to contribute fifty per cent, or forty to sixty, or some such percentage, until it is completed?

Mr. GORDON: The agreements are made from year to year in harmony with the provisions of the various relief acts. The acts expire at the end of each year according to their terms, and any agreements made thereunder expire concurrently. There is no agreement with any province respecting any works because it is obvious that we have no authority to enter into an agreement until this parliament gives us that authority.

Mr. HEENAN: That is not what I mean. I realize that the agreement expired on March 31, but this government has made a specific promise that it will contribute fifty per cent of the cost and I should like to know if there is some understanding that that contribution will be continued until the highway is completed. Let me put it in another way. The Prime Minister and his candidates promised that a national highway would be built with funds from the federal exchequer. Apparently they abandoned that idea and offered to make a contribution to the provinces of fifty per cent of the cost. Is there not an agreement that this contribution will be continued until the highway is completed?

Mr. GORDON: I cannot add anything to what I have said already. There is no agreement because there is no authority to make one. Those provinces that find that they cannot get along without assistance from the dominion undoubtedly will approach the dominion with a view to entering into an agreement to take care of the matters to which the hon. member has directed attention, as well as other matters. But at the present time there is no agreement, there is no understanding, because so far as the government is concerned it would be highly improper to have an understanding or an agreement without any authority for entering into one.

Mr. HEENAN: I suppose we shall have to take that just as it is, but once again I submit that it places members in a strange predicament to find themselves voting for a blank cheque to be given to the government when they can get no information as to what is intended. The government made specific promises to the people before they came into power. They cajoled them into voting for this administration, and when my hon. friends got into power they refused to tell the electors what they would do. They will not even give any information to the elected representatives of the people as to what they contemplate. If there is one thing more than another that should open the eyes of members of this house it is the answer which the Prime Minister gave to the hon. member for East Hamilton (Mr. Mitchell). The Prime Minister went to Hamilton and, surrounded by his friends, he got into that sort of humour that I suppose most of us get into at one time or another, though perhaps not with the same spirit as some of us, and he promised the city of Hamilton a building. There are hundreds if not thousands of workmen in Hamilton represented by my good friend from East Hamilton—and he is a very good representative too—and when the hon. gentleman stands on the floor of this house and inquires of the Minister of Labour or of the Prime Minister when it is proposed to start that work what answer does he receive from the right hon. gentleman? He receives one of the most flippant answers ever given in parliament since I have been a member of this house. The hon. gentleman can presuppose this, or he can imagine that, in the hope that some day his expectations may be realized. Is that the sort of answer that should be made by a government who are asking this parliament for a blank cheque?

I cannot see how the government can take this position after four years. There might be an excuse the first year or even the second year; they might say then, "We don't know what will arise; we cannot tell what each province may require." But after four years, surely they ought to be able to inform the members of this house just what the government of Ontario, for instance, or other provinces will want. They ought to be able to tell us, after the discussions they have had, whether certain work is to be undertaken in northern Ontario, or in Nova Scotia, or in

the province of Quebec, as the case may be, and that as soon as this bill passes they expect to ask for so many millions. They should have some conception of what money is going to be expended and the use to which it will be put. If I were inclined to vote against this measure for any reason whatever, that reason would be the answer which the Prime Minister has just given to the hon. member for East Hamilton. The hon. gentleman has been a very courteous member; he has not been like myself, critical of this government, but has tried to save the government from the mess they got into over the titles question. Well, here is one of the most courteous members of this house rising and asking a question which vitally concerns the workmen of Hamilton: Are they going to be able to save the titles to their little homes? That is the question, and the Prime Minister gives, as I say, the most flippant answer, the sort of answer he would give to a schoolboy.

Yesterday in the course of his remarks the Prime Minister tried to make excuses for the government for the manner in which the federal moneys have been expended, and he compared what the government had done with the Liberal government's attitude towards old age pensions. What a terrible predicament the Prime Minister and the government must find themselves in when they begin to talk about old age pensions and to compare that question with unemployment relief! We made an agreement with the provinces, under authority of an act of parliament, to pay fifty per cent to any province participating in the scheme for the payment of pensions to persons over seventy.

Mr. MACDOUGALL: Seventy-five per cent.

Mr. HEENAN: I am speaking about the time we were in power. The only difference is that we carried out our promise and you are carrying out yours only twenty-five per cent. The provincial government has full control over the administration of old age pensions—not the municipalities, not unorganized districts, not contractors. The provincial governments are responsible. The Prime Minister yesterday referred to fraudulent cases that had occurred under the old age pensions scheme, and he likened it to the terrible calamity we have now in connection with the expenditures of federal money. Can you imagine the Prime Minister and the government in such straits? Of course, in connection with old age pensions as well as under the Workmen's Compensation Act and the Mothers' Allowance Act, you will find instances here and there where someone probably gets the benefit of the act when he is not entitled thereto, but I do not suppose that in the whole of Canada there are more than twelve cases; yet the Prime Minister compares that to the expenditure in connection with unemployment relief.

Let me say this, that under the old age pensions legislation the accountant of the Labour department persistently checked up the various provinces, and while it is true that he discovered here and there someone that was not entitled to pension, the province concerned immediately made an adjustment. On the other hand, he found a good many people who were entitled to pension and whom the provinces had denied, and in a great many instances there was an adjustment in this direction. But when hon. gentlemen talk about old age pensions I cannot help observing at this particular time that Ontario through their commissioner is chiselling, whether the Minister of Labour knows it or not, many of the aged people of that province out of their old age pensions. I have several letters, one in particular from a Conservative, a man who was born a Conservative and who I suppose will die one. This man got $20 a month when he reached the age of seventy. That is what the law allows. When his wife attained the age of seventy she also was entitled under the act to $20 per month. And remember, that is the law; it is not what some politician or some commission may say, but it is the law. But the commission in Ontario wrote to this aged couple a letter in which they stated, "Now that you are both receiving the benefit of the old age pension, $30 ought to be sufficient for the two of you." That is chiselling aged people, who are on the brink of the grave, out of $10 a month that is theirs by law. So far as the Prime Minister is concerned, who promised especially in Nova Scotia that one hundred per cent of old age pensions would be paid by the federal government, the less the right hon. gentleman says about old age pensions the better.

I think the Minister of Labour placed on Hansard the record of what the former Liberal government did in 1922 with respect to the administration of unemployment relief. I was not in the House of Commons at that time; I was in the legislature, so I can speak only by the records, but he will find that the system that was in vogue in 1922 was instituted by a good Conservative government in October, 1921. That Conservative government initiated the making of agreements not with the provinces but with the municipalities. Now the present Prime Minister says that they were all wrong; that constitutionally

they had no right to make those agreements with the municipalities, that the action taken was unconstitutional, but nevertheless the government that was defeated in 1921 instituted in October of that year the practice of making agreements with the municipalities. The agreement was extended to some extent since then. At that time it was, I believe, speaking from memory, one-third of the excess cost over normal of works that were done in the winter time. The provision was that this excess cost would be estimated by the dominion government engineers, and this was done. I know from the records, because I had to settle up a good many of those cases even after 1926, that the dominion engineers refused the claims in many instances. For example, some municipalities had put down shovelling snow as excess construction work and there were many other cases of that kind. Those were all checked up by the auditor general and there is no suggestion whatever that through those years there was anything wrong.

I want again to refer the Minister of Labour to our discussion of yesterday. I know the limitations of the authority of the minister with respect to wages and all that kind of thing, and I am not going to ask him to do anything that I feel I could not do myself were I in that office. But in this particular case provincial governments are, as they have done before, asking the Minister of Labour for contributions to enable them to carry on certain works. While the minister has no jurisdiction in setting wages in the provinces except on dominion works, he has now the jurisdiction to say: "We will give you those contributions on certain conditions," and one of the conditions could be that they pay prevailing rates of wages, or fair wages, or some kind of wages that the minister himself, after consulting with his officers, might determine. He has that power. We do not need to give money away if we do not want to do so, and if we give it away we can give it under any conditions we like to impose.

As I said yesterday, when the bill was first introduced in the house at the special session of 1930, this government gave a specific pledge. I think the hon. member who gave the pledge for the government was the Minister of Justice, who has just left the chamber. We pointed out to him the resolution that was passed in 1900 providing that any contract for works undertaken by anyone with a contribution from this government should include a fair and reasonable rate of wages provision. In 1930 we passed in this chamber another act providing for eight hours a day and fair rates of wages for government work. The Minister of Public Works, the Minister of Justice and the Prime Minister, if I remember aright, specifically stated, in answer to some of us on this side, that those provinces which were carrying on relief work would have to comply with that resolution and that policy. If that be true, how does it come about that the Ontario government—and I am speaking only about the province in which I reside and about which I know something—with that provision in their agreement and with those regulations to govern them on highway work, dropped the wages of their labourers from thirty-five cents to thirty cents, then from thirty cents down to $5 a month and their board, then raised it to $10 a month and their board, until now, after three years and after some of us have gone through the country shaming that government into action, they have decided all at once to give twenty-five cents an hour? How is it that the Minister of Labour for Canada has not some say in the matter? That is what puzzles me. So far as I can see, the only good to be accomplished by talking on the floor of the House of Commons or outside is to awaken the public to what is going on. I am certain I am not going to get the Minister of Labour, or the hon. member (Mr. Macdougall) who is sitting behind him just now, to agree with me on all points; or if they do, they will not say so. However, I thank the hon. member for Inverness for agreeing with me for once. I do not speak in the house in the hope of getting the Prime Minister to become a Liberal; I speak in order that the public may understand the treatment that is accorded to the people in northern Ontario and the mishandling and bungling of everything in which the Ontario government has ever taken part. I am appealing to the Minister of Labour to take a hand in this matter and to see that the Ontario government do the right thing. I can recall in 1923 when I was given an acclamation in Ontario—

Mr. MACDOUGALL: The hon. member will never get one again.

Mr. HEENAN: I do not want it again; I want to fight, because the next morning everybody in the street told me he gave me the acclamation. On that occasion there were only two of us who got acclamations. The then member for Kingston, Mr. W. F. Nickle, the only democrat the Conservative party ever had, the man who told the people of Great Britain that we did not want any

more titles in this country, and I, were the only two who got acclamations. The Conservatives were so pleased with the work I had done in the four previous years that they did not run a man against me. What happened? The Ferguson government came into power and the highway and road work was shut down overnight, just like the crack of a whip. I knew what was in their minds, but I tried to make excuses for them. I went through my district for six months saying: Be patient; wait till this government find their feet; they will not leave these miles of road leading into the bush, leading to nowhere; give them time. But I found out that it was a designed plot; they were going to tell the people that they had elected a labour man and to show them that as long as they did not elect a man who would support the Conservative, or the Ferguson, government—because it was never really a Conservative government—they were going to persecute the district. I then went to Hamilton where my hon. friend lives and I made a speech there pointing out that the Ontario government was persecuting a district because I was elected. I went to the head of the lakes and made a similar speech and to Winnipeg and made a similar speech there. And the people, even Conservatives—because there are some good Conservatives; they are pretty hard to find nowadays, but there are some if you look for them—asked the Ontario government: What is all this about? The result was that the Minister of Lands and Forests hied him in a private car to my constituency and put hundreds of men to work—I would not like to say thousands—and then he went to Toronto and said to the newspaper men: "What an awful liar that man Heenan is; I have more men working in his riding than in any other part of Ontario." So we are speaking here not only because we feel that some time we might touch a sympathetic chord in the heart of the government, but more particularly to let the people of Ontario and of Canada know just what is going on so that they will ask the government whether this is true or not. We ask the Minister of Labour to give us some help, because he is at the head of the department that is supposed to do that. There is only one department of the government of Canada charged with caring for labour, and the officers and the minister of that department ought to have a labour psychology. I agree that there is a limitation to his authority, but we ought at least to have that outlook on life from that department. When we speak about wages we ought to have the sympathetic help of the minister; he ought to stand in this house and say that if the Ontario government does not increase the wages of these men, we will not give them any further assistance, while if they do increase wages we shall give all the assistance we can consistent with the amount of money we have to spend. In our constituency we had to hold mass meetings of Conservatives, Liberals, Labour, United Farmers of Ontario and everything else in order to get any consideration from the Ontario government for districts for which no Conservative is sitting. I admit that conditions are better now in that regard; they could not allow people to starve to death, because that would attract attention and the rest of Ontario would suffer. But what I am trying to do is to get the assistance of this government and especially of the Minister of Labour. Labour men, Mr. Hutchinson, the member for Kenora in the legislature and a good many others, and I, have been pounding away at the Ontario government for the last three years about the wages they are paying in the camps in northern Ontario, $5 a month in the summer and $10 in the winter. At last after we had called attention for three years to this scandal, the government of Ontario on the eve of an election come out and say they are going to pay twenty-five cents an hour. Of course there will be a lot chiselled off that; they take 50 cents a month for the doctor and so on; they whittle it down so that a man will have about $8 a week. Many of them are married men. Suppose they have a house of which the rent is $15 or $20 a month, and at the end of the month they have $32 to send to their families! I have attended the funerals of some of these men; I have been in their homes when they have been called in from highway work on account of their children being sick through lack of nutrition, or because they were not able to clothe them and send them to school. I have seen some of those men die—they probably would have died anyhow, but I think the Ontario government's scale of pay hastened it somewhat. Now after two or three years, on the eve of an election we have got the Ontario government actually to say to them, not from concern for the working men but in order to try to get a few more votes: "We have defrauded you men out of your wages for three years; now we are going to give you back the money that we kept out of your pocket, in the hope that you will vote to put is into power again so that we may sink this province further into debt and increase the taxation of the people." That is the situation in the province of Ontario. I have here for the information of the

minister a statement made by the Minister of Lands and Forests himself in his own constituency. Speaking in Orillia on February 2, he said:

"I don't consider $10 a month is any wage."

He will not agree that it is even slave wages.

These camps were undertaken to take care of as many idle young men as possible and to give them good board. We give them $10 a month as an allowance and we couldn't give them any more.

In February Mr. Finlayson said: "We cannot give them any more," but now on the eve of an election he says he can give them twenty-five cents an hour. I want to know where the money is coming from. How is it they are in a better position now than when Mr. Finlayson made this statement? I think we are entitled to know this. Mr. Finlayson was one who along with Hon. Charles McCrea and Hon. Howard Ferguson and Hon. George S. Henry and many others took leave from their provincial duties during the last federal election to go up and down the province of Ontario, saying what? Saying that the fact that there was unemployment in Ontario was due to the fiscal policies of the Liberal government at Ottawa. Now after nearly four years see what Mr. Finlayson says:

Defending the government in regard to present economic conditions the speaker described the depression as an aftermath of war.

Then another minister of the crown in Ontario went to Fort Frances and added insult to injury. Hon. Charles McCrea at Fort Frances last fall said in effect—I have his statement from the local paper, edited by the local Conservative member, so it must be a correct report: "Some will say that the present depression, the troubles we are passing through, were caused by the government at Ottawa or the government in Toronto, but any of you who read or think or exercise ordinary intelligence and sense will know that neither the government at Ottawa nor the provincial government in Toronto is responsible, but that the great war was the cause." That is what gentlemen went about saying. Some of my hon. friends on the other side—I have a lot of good friends there, and hope I shall always keep them—may think that some of us criticize them unduly, but it is because of such trickery as that that we do it. I do not mind losing or winning a football match or a cricket match or an election, but let us do it in a sportsmanlike way; let us not go round blowing about what we are going to do and promising the people what the Prime Minister and members of the provincial government promised they would do, and then four years afterwards insult the people by saying that if they use common sense or intelligence they will know that we were only trying to deceive or fool them three or four years ago. That is the effect of Mr. McCrea's words.

I want to ask the Minister of Labour now whether he will not insist that some of this money that the government of Ontario has hoarded or has borrowed—I understand they borrowed $40,000,000 recently—will be used to give these men who have been working on the highways their back pay, the money of which they have been robbed. That should be done, instead of increasing their wages now at the eleventh hour, prior to an election. It is their due. These men have been working; they have not been having a good time, as some of the newspapers would have us believe. The foremen have been led to compete against each other to see how many yards of dirt they can move and they, in turn, have had to work their men. They have been firing men because they were not able or willing to work in competition with others. These men have been doing laborious work in the interests of the state, and the state now says, "We do not require these fellows at all; we are just putting them away up there in the bush."

I understand some question has been raised with regard to the one cent cheque to which I referred yesterday; I understand that the newspaper in Vancouver that published a photograph of this cheque now denies it. I am going to make the statement again, so that it will be understood. The picture of the cheque appears on page 20 of the Vancouver Daily Province of Wednesday, August 16, 1933.

Mr. GOTT: It is cheap trash for a provincial election, and you will not get to first base with it.

Mr. HEENAN: I was going to say to the minister, "Render unto Caesar that which is Caesar's; render unto Gott that which is Gott's." That would be about a nickel, or a cent.

Mr. GOTT: You have put that on record about four times.

Mr. HEENAN: And you would not understand it if I put it on record again. Every time you squeeze an onion it makes your eyes water. This cheque for one cent was issued by the northern development branch of the province of Ontario and was sent to the editor of the Vancouver Daily Province

by the man who received it. This man's name is C. Caesar; the cheque was issued on the Canadian Bank of Commerce at Minden, Ontario, and the photograph is headed by the words, "One Month—One Cent." Below the photograph the editor of the newspaper has this to say:

After clothing issued to C. Caesar, worker at camp No. 9, Hall Lake, Minden, Ontario, had been half paid for, he received the cheque shown above for his month's wages. It is a moot question how many dollars will be expended in bookkeeping for the next two or three years carrying this cheque entry forward as an outstanding item, as its owner has requested its return so he may frame it as a souvenir to show to his grandchildren.

I presume he wants to show his grandchildren how the Ontario government paid their workers in 1933. I have other cheques here that have not been cashed.

Mr. GOTT: It costs the country more than one cent to have the hon. member speak. It is a waste of time.

Mr. HEENAN: Perhaps that is what my hon. friend thinks, and I cannot blame him if he does think so. Sometimes I wonder if I do much good, but I will say to my hon. friend that he never opens his mouth without giving a grunt like a pig, and that he never rises on the floor of this house except to interfere or heckle. If he were in some parts of the country—

Mr. GOTT: I will stand up now to say that the hon. member for Kenora-Rainy River ought to be ashamed of himself.

Mr. HEENAN: I am, because I am talking to you. Every time I talk to my hon. friend I am ashamed of myself.

The CHAIRMAN (Mr. Macdonald, Cape Breton): All this conversation is entirely out of order.

Mr. HEENAN: I want to be decent, but I can never be decent when I am speaking to that hon. gentleman.

Mr. GOTT: We know what to expect.

Mr. HEENAN: If the chairman cannot keep that hon. gentleman quiet I will try to do it myself.

Mr. GOTT: You would have a fine time.

Mr. HEENAN: All you would have to do would be to give him a little pin prick and he would burst like a bubble. It may be that I am not doing any good, but at least I have awakened some of our editors to the fact that conditions are not what they should be. I have here the Ottawa Citizen of February 10, 1934, from which I am going to read just one sentence. Referring to my remarks in connection with the one cent cheque the Citizen has this to say:

When Russia has been discussed at Ottawa, there have been contemptuous references to the "slave labour" of that country. At least we ought to set our own house in order before indulging again in such audacious hypocrisy.

Mr. POULIOT: This is much more interesting than Ferguson's five cent speeches.

Mr. HEENAN: So notwithstanding the fact that some hon. members may think I am not doing much good, I think perhaps I am doing some good in drawing these matters to the attention of the public. At least I am doing this much good, if my hon. friend can understand it; I have been working on this for over three years, and finally the Ontario government have announced that the wages of the men will be increased to twenty-five cents.

Mr. GOTT: I listen to and understand anything that is sensible.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READING

Bill No. 28, to incorporate Ancient Foresters' Mutual Life Insurance Company.—Mr. Bell (Hamilton West).

SECOND READINGS—SENATE BILLS

Bill No. 44, for the relief of Gertrude Ethel Mosgrove Roast.—Mr. White (Mount Royal).

Bill No. 45, for the relief of Clara Dingman Freeman.—Mr. Bell (St. Antoine).

Bill No. 46, for the relief of Marguerite Pearl Hopper.—Mr. Lawson.

Bill No. 47, for the relief of Sadye Harris Rosenberg.—Mr. Factor.

Bill No. 48, for the relief of Eva Brabant Paradis.—Mr. Bell (St. Antoine).

Bill No. 49, for the relief of Williamina Muir Briggs.—Mr. Bell (St. Antoine).

UNEMPLOYMENT AND FARM RELIEF

BILL IN TERMS GENERALLY OF RELIEF ACT, 1933, WITH PROVISION RESPECTING DELAYED RELIEF ACCOUNTS

The house resumed consideration in committee of Bill No. 42, respecting relief measures—Mr. Gordon—Mr. Gobeil in the chair

On section 2—agreements with provinces.

Mr. HEENAN: While the minister is waiting for his deputy I want to say a few words by way of concluding my remarks. If the province of Ontario enters into an agreement with the federal government, as undoubtedly the minister expects, I would ask him to see to it that the policy enunciated by this government that fair wages shall be paid on all public works to which contributions are made by this government is carried out. I trust that the minister will insist upon that at this particular time at any rate, even although he has failed to do so in the past.

There is another matter. I recall that when the Prime Minister was speaking on the relief bill in 1930 he enunciated a policy of undertaking works for the purpose of supplying work and wages. I think we have got away from the wages end of that policy. It is true that the regulations provided that men in the community in which the work was to be undertaken would be supplied with work, and settlers and others located along the line of the highways would get the benefit of such work. I would urge upon the minister, and at the same time make an appeal to him, that this government has a duty to perform and that is to see that that policy is carried out. In our district, and I think it applies throughout northern Ontario although I can speak more particularly for the district of Rainy River and Kenora, a great many settlers live during the winter by cutting pulpwood for pulp and paper mills. These mills have been closed down until recently and the settlers have not had the same opportunity to make a living during the winter time. It was expected that the camps would obtain their supplies of vegetables and meats from the settlers along the highway, but the provincial government let a contract to the firm of Crawley and McCracken. We were unable to have these contractors purchase their vegetables and meats from the settlers residing along the highway. The member for Kenora in the legislature went to the government about the matter but they referred him to the contractors. The contractors stated that they could buy only meats which had gone through a certain inspection. The matter was then referred to me and I took it up with the Minister of Agriculture (Mr. Weir). I must give him credit for doing his share, and I am glad there is one member of the cabinet to whom I can throw a bouquet. I received a telegram from Doctor Grisdale, the deputy minister, under date of December 11, 1931, reading as follows:

Am advised by Mr. Fairbairn, deputy minister agriculture, Toronto, that agreement with Crawley and McCracken who have contract to board labour specifies that food shall be good and wholesome. There is no mention of meat inspection. We are ready put man at Dryden or any other place supervise hog slaughterings and issue certificates wholesomeness of product. Please advise with whom we might make contact in order speed up necessary arrangements.

That was in 1931 when there was a plentiful supply of hogs in that particular district. Notwithstanding the fact that this government was making a contribution to the Ontario government, we could not get this contracting firm to purchase supplies from the farmers in that part of the country. I am safe in saying that hundreds and possibly thousands of bushels of potatoes which these settlers had been encouraged to grow in the belief that they would be purchased as supplies for the camps, rotted in the cellars, while potatoes were purchased in Winnipeg and from eastern points.

There is no doubt that if this matter is brought to the attention of the Ontario government they will claim it has been rectified, but I should like to tell the committee how it has been rectified. The Minister of Lands and Forests made a trip through northern Ontario accompanied by Premier Henry and other members of the cabinet. When this matter was brought to his attention by the local member, as well as by settlers in that part of the country, he got up on a public platform and made the announcement that henceforth he would see to it that the contractors purchased potatoes and other vegetables from the settlers in that part of the country. But that promise was never put into practice. The Ontario government is on the eve of an election and the Conservative candidate does not even live in the riding; he lives in the riding of Fort William. This gentleman has placed an advertisement in the papers to the effect that he has made an arrangement with Crawley and McCracken whereby they will purchase their supplies for the camps from the farmers in that vicinity. This is playing politics with unemployment relief, something which the Prime Minister promised would not be done. It is all right for the Minister of Railways (Mr. Manion) to stand up on the floor of this house, as he did the other evening, and say that in connection with all works with which he had anything to do he would give the benefit to his friends and not to his enemies—incidentally, I notice the papers took him to task editorially for making that statement—but I hope the Minister of Labour (Mr. Gordon) will not take a similar position.

My last appeal to the minister, on this occasion at least, is to ask him to see that these provisions are included in the contract. But a contract is not considered by the Ontario government to be worth very much; they would break a contract to-morrow if they thought it would enhance their political prestige. That is the experience I have had for fifteen or sixteen years. I would much rather say something nice about them, but I cannot find anything nice to say. I appeal to the Minister of Labour to see to it that contractors who are receiving federal money comply with the announced policy of the government.

Mr. MITCHELL: Mr. Chairman, I have listened carefully to this debate hoping to hear some constructive policy announced by the government to deal with the unemployment problem, but I think it is fair to say that up to the moment the only policy announced is purely negative. It is in direct contradiction of the claims made by the Prime Minister (Mr. Bennett) and other members of the government when they went around the country in 1930. The hon. member for Kenora-Rainy River (Mr. Heenan) has given examples of the wages paid in the camps up in his part of the country. When the government contribute funds to an enterprise or undertaking, in my judgment they have a direct responsibility to see that a fair rate of wages is paid. I do not think it is fair to the unemployed or to the employed that these men working on a constructive undertaking should be asked to work for $10 a month. In some instances the result has been that a man has received as little as one cent at the end of the month. If these men were placed in the camps simply to be fed, there might be some excuse, but they are taking part in a national enterprise, the construction of a highway from one end of this dominion to the other, and I do not think the government should employ men at a wage scale which no private employer would stoop to pay.

We have another example offered us in the 18,000 civil servants receiving less than $1,000 per year who are to have the ten per cent deduction returned to them. It looks to me as though the committee now investigating mass buying should investigate the wages paid by this government as well as those paid by private employers. Perhaps hon. members should not be unmindful of the fact that many within the compass of that 18,000 are postmasters and that this is a strategic move in view of the nearness of an election.

I have listened with keen interest to the remarks of the hon. member for Kenora-Rainy River in connection with the policies of the Conservative government of Ontario in this crisis. There is to be an increase in relief. I have no objection to this; I believe it should have been done long ago, but it is passing strange that on the eve of an election a provincial government should find it necessary to increase relief payments which practically come out of the federal treasury. The workers in these road camps, under this policy, are to have their wages increased to twenty-five cents an hour. It is a pity we cannot have an election every week or so; we should all become rich under those conditions. This afternoon I got a rather stinging reply because I asked when the government expected to be able to put into motion the building policy it had in mind. I hope that is not going to be a purely political policy in view of the forthcoming election. In 1930 it was, "We will cure unemployment or perish in the attempt"; in 1934 the policy is, "Give the electors what they want so that we can get back into power". It is so obvious to even the casual observer that this is the background of the policy.

During the supper hour I was reading a periodical which brings out very clearly the direct responsibility of the government in connection with the payment of wages in any undertaking under their control. The article which I read was an open letter to the Prime Minister in the January number of Chatelaine. It discusses a family, husband and wife and four children. The husband had been out of work for two years but through the assistance given them by their friends they have been able to remain off relief. Eventually this man got a job in one of the camps at a salary of $39.50 a month. The family budget was given as follows: Rent, $12; fuel, $7; light, $1.50; milk, $6; and expenses for the husband's clothes and at the camp, $3.50; drugs, $1, or $31 in all. That left $8.50 to feed and clothe a family of five under their conditions. I will not draw any inferences regarding what has happened in other countries; they have to work out their own destiny their own way. We however have a direct responsibility in relation to a vital question such as this.

Under the widow's pension legislation of the province this family would have been entitled, if the husband were dead, to allowances equivalent to $58.50 per month, so that the family would have been better off had the husband and father passed to the great beyond than they are while he is trying to make

a contribution to the building-up of the country. Had he been an invalid—he would have been treated as a child—he would have received $67.05 per month. In my judgment this shows very clearly the responsibility of any governmental agency in the employment of men who after all are their fellow Canadians.

I should like to have seen the government bring down something very definite instead of giving us a reiteration of the policy of the dole —because we might as well be frank about it—which has been in existence during the last three or four years. I should like to have seen them move in the direction of getting rid of some of the slum districts in the larger centres. I should like to have seen them expand a building program to provide houses for the people of the country. One could quote figures showing the real shortage that exists at the moment. In my city rents are increasing because of the contraction of available houses owing to the depression. I think the government has a direct responsibility in that regard, just as much of a responsibility to the average man and woman in the street as it shows in its policy in connection with one or two big undertakings which have been assisted. I do not say this critically but by way of comparison; for if it is sound and logical to come to the assistance of one form of organization which the government feels necessary to the life of the dominion, I think it is just as essential that the government should come to the assistance of those who find themselves in a position such as I have indicated, over which they have no control.

I must therefore express my disappointment in the attitude of the government with regard to unemployment. I cannot say that I wholly agree with the leader of the opposition (Mr. Mackenzie King) in the view he takes of the blank cheque aspect of the legislation. I would give the government any kind of cheque if only they would implement the promises they made in the last election. I think the Canadian people are all of one mind on that point. I am mindful of the fears of the leader of the opposition, but I would point this out. Liberty is not merely a right; it has been obtained by fighting and sacrifice. It is an asset that has been dearly won by the Anglo-Saxon people and it can be maintained in a democracy only if the citizens are willing to grant the state the powers they think necessary in an emergency of this description. I believe you have to choose between that and a dictatorship. I do not believe anything can be done under a dictatorship that cannot be done in a democracy, and I am of the opinion that when the history of this period is written it will be found that those countries who observed most closely the spirit of democratic institutions will be those that will have passed through this trial and will most successfully cope with the inevitable problems that will confront them then. I believe that sincerely. At the same time, I do not think that we should deny those who have the responsibility of leadership and government the freedom to lead, though I think that responsibility should be definite and for a fixed period. I think this also, that you must retain control over those charged with responsibility; you must leave yourself the right, I might almost say the divine right, to change them. I have never held the opinion that we should permit legislative medicine to be prescribed for us. I think it can be safely said that this House of Commons is a pretty fair cross-section of the Canadian people. What I like about democracy is that it is so human; it is a system of government in which you suffer for your own sins. If you elect the wrong kind of people, you suffer accordingly.

Mr. YOUNG: We are finding that out.

Mr. MITCHELL: That is part of the penalty. I believe that this government will suffer for its legislative sins at the next election. But I do not think there is any argument in the matter of giving the Prime Minister and the executive the right to make a quick change to meet an emergency should one arise. I agree with the Prime Minister that in every country there should be a forum where men can speak the truth as they see it notwithstanding the fact that ninety-nine per cent of the people may disagree with them. Last summer I had a very practical experience of that, and I will close with this observation which, too, is very human. I went to Russia, where one can sense the oppression, the censorship; and I visited Poland, where I had promised to make a speech to the people of my political outlook. When I got there I found that fifty per cent of the members of the House of Commons of radical outlook were in gaol, and I did not make the speech. I went on to the next stop, Berlin, where most of the fellows of my political complexion, trade unionists and so on, were either in concentration camps or in gaol, and I was told not to ask the questions I thought I should ask. When I went to the next stop, London, England, I could have stood outside Buckingham palace and told them where they could get off at, and they would have simply laughed at me. In this

hour of trial that object lesson was worth something; it exemplifies the true spirit of Anglo-Saxon liberty; it exemplifies the real driving force of our civilization. I would like those in this country who feel that the right method to adopt is suppression, to take a leaf out of the book whence our institutions sprang.

Mr. CASGRAIN: Might I ask the minister for some explanation regarding the amount of $110,198,272.92 which appears under the heading of "Recapitulation of Dominion Disbursements under Relief Legislation?" I see, for instance, that under the heading of "Department of the Interior, including the Yukon," the expenditures are as follows:

Year—	Amount
1930	$ 56,994 66
1931	876,125 73
1932	660,185 84
1933	1,139,203 18
Total	$2,732,509 41

Can the minister give the committee some explanation of the expenditures under these various items, in what provinces the money was spent and for what purpose?

Mr. GORDON: In the four western provinces, in the national parks of Canada which are administered by the Department of the Interior, certain camps were established to take care mainly of the floating population, and each succeeding year to the extent that those camps were taken advantage of, the amount has increased. Perhaps hon. members will remember that in 1931, yes, in 1930, it got to be a habit for people to take advantage of all sorts of transportation, sometimes riding in freight cars and on the rods, sometimes hitch-hiking in trucks and so on, to go from place to place and concentrate here and there, until the problem arose, particularly with the four western provinces, of taking care of those people. I think complaints were made in the house at that time and the plan was evolved, in so far as the western provinces were concerned, that the organization of the Department of the Interior could be used in order to provide subsistence camps in the national parks to take care of that floating population. Hon. members will likewise remember that the Department of National Defence also took part in the organization and carrying on of camps where these people could be housed, taken care of and do some work on dominion projects. That work has also been carried on, and a few weeks ago in the house when the estimates of the Department of National Defence were under review, I believe complete information was given to the committee as to the work which was done. That, shortly, accounts for the expenditures to which the hon. member has made reference.

Mr. CASGRAIN: The minister has mentioned the national parks in various parts of the dominion, but this item includes the Yukon. What was done there? Is there a national park there? Are the people travelling or staying in that part of the country?

Mr. GORDON: The contribution that was made to the Yukon was in the form of public works and direct relief. The administration was in the hands of the gold commissioner for the Yukon.

Mr. CASGRAIN: How many people in the Yukon territory received relief?

Mr. GORDON: I have not the figures.

Mr. CASGRAIN: What is the population of the Yukon?

Mr. GORDON: The population of the Yukon, that is, if you confine it to the electoral riding, is something under 2,000, probably between 1,800 and 2,000.

Mr. CASGRAIN: The minister cannot tell us how much was spent there for direct relief?

Mr. GORDON: Under the 1930 act, $20,000 was spent on works in the Yukon. Under the 1931 act I have not the figures showing the Yukon separately. The expenditure of the Department of the Interior is joined with that of the Yukon, and I am sorry I am not able to separate the figures in order to apprise the hon. member of the exact amount spent in the Yukon proper.

Mr. CASGRAIN: Has the minister the figures for 1932 and 1933?

Mr. GORDON: I do not think anything was spent there in 1932 or last year.

Mr. CASGRAIN: Besides direct relief, what kind of works were carried on in that territory?

Mr. GORDON: Apart from direct relief the work was chiefly road work, bridges, culverts and work of that kind.

Mr. CASGRAIN: How much was spent for those works, roads, culverts and bridges?

Mr. GORDON: I am sorry I have not the figures of that.

Mr. CASGRAIN: Would the minister be in a position to give the information?

Mr. GORDON: Yes.

Mr. CASGRAIN: And also if there was any money spent for direct relief.

Mr. GORDON: Yes I can get details of it.

Mr. STEWART (Edmonton): I notice that the Minister of the Interior (Mr. Murphy) is now in his seat. As I understand it, the relief work in the parks is being carried on under his supervision. I was in Jasper park last summer and had the pleasure of driving over a very nice piece of new highway that will open up a considerable portion of the park. What I am chiefly interested in, however, and what I think the citizens of Jasper are interested in, is the continuation of the highway to connect with the national highway projected through to the coast. I think it is correct to say that the projected highway between Lake Louise and Jasper will take considerable time to build, and in my opinion it would be much more serviceable and would meet the public demand very much better if work were concentrated on the highway going through to the coast. I understand—and I got this information from a statement in one of the newspapers, I think the Calgary Albertan—that there is some sixty-six miles of the Big Bend road construction still to be completed, and that the part undertaken by the dominion government under the parks branch from Golden westward is almost completed; indeed if my information is correct more money has been spent upon it than was contemplated. But it seems to me that when large sums are being spent on relief projects it would be wisdom on the part of the government to concentrate on the completion of this highway, giving an all-Canadian highway through to the coast. I think that should be done first. I say that because it was rather a pet project of my own when I was in charge of the department, and now that we are spending large sums of money on projects of this kind, and will continue to do so, surely it is advisable to have an all-Canadian highway to the coast constructed before we extend very much farther the highways within the park boundaries.

Then on the completion of that, or contemporaneous with it, it seems to me that any work done in Jasper should be directed to extending the road down to connect with that highway, in order that people in the northern sections of Saskatchewan, Manitoba and Alberta might have a highway through to the coast by way of Jasper park. The construction of a highway over the summit I would not consider nearly as necessary as the completion of these highways. I know that my hon. friend the member for Cariboo (Mr. Fraser) is also very much interested in this project. I trust that future expenditures will be confined to these two projects, at any rate until they are completed or until such time as it is not necessary to find employment for a great number of young homeless men.

Mr. GORDON: That work is under way, and there is a concentration of men working on both of the highways to which reference has been made. The dominion government undertook to build the east leg of the Big Bend road up to Canoe river, the province of British Columbia undertaking to build the westerly leg from Revelstoke to Canoe river. But at the present time, owing to the financial condition of the province of British Columbia, the federal Department of the Interior is continuing the work on the east leg, and the Department of National Defence is concentrating on the westerly leg of the road. I think some very useful work is being done there.

Mr. STEWART (Edmonton): Do I understand my hon. friend to say that the Department of National Defence are working on the British Columbia end?

Mr. GORDON: Yes.

Mr. STEWART (Edmonton): Were they working there all last summer?

Mr. BENNETT: Since the fall, I think. I speak subject to correction.

Mr. MURPHY: As the hon. member for West Edmonton (Mr. Stewart) has stated, certain of these works, namely the eastern leg of the Big Bend highway and a certain amount of work on the section between Donald and Golden, were carried on during the season of 1933 by the Department of the Interior. Under the agreement entered into during the time the hon. member himself was Minister of the Interior the Dominion government undertook to construct that part of the highway known as the Big Bend highway from Donald north to Canoe river, the province of British Columbia obligating itself to build the highway north from Revelstoke joining the Dominion government's portion of the road at Canoe river. Work on that project was continued for some three years, I think under the regular parks appropriation, by the dominion on the eastern leg, and last year the work was continued under the unemployment relief scheme on which were engaged single, homeless men. In addition to that the Department of National Defence, under the agreement entered into by the dominion with British Columbia, used single homeless men on construction work on the

western leg of that same highway. The eastern leg has been completed to within about twenty-eight to thirty miles of Canoe river. In giving these figures I do not wish to be taken as speaking with absolute accuracy because I have not the figures before me, but they are approximately correct.

The hon. member has also mentioned the road between Golden and Donald. May I point out that that portion of the road is not a dominion responsibility under the agreement; it is a provincial road. But under an arrangement made between the Department of the Interior and the Department of National Defence the Department of the Interior did use a certain number of single homeless men on that road during the season of 1933. While a certain amount of work was accomplished both on the Big Bend section and on the Golden-Donald section, not as much was accomplished as anticipated owing to lack of men. That is, we did not obtain the services of the number of men anticipated.

The hon. member for West Edmonton has also spoken of the road in Jasper park, asking that work be done upon the road which proceeds from the eastern boundary of the park west through the townsite of Jasper. The road from the eastern boundary of the park to the Jasper townsite and for a certain number of miles westward is an all-weather highway. As the hon. member knows, the road from Edmonton to the eastern boundary of Jasper park is not entirely an all-weather highway. The road of which I am now speaking is a provincial road, going from Edmonton to the eastern boundary of Jasper park. A goodly number of miles of that road cannot be classed as all weather highway, though it is a fairly passable road. The hon. member urges that the Dominion government continue that road westward through Jasper park in order to connect up with the Big Bend highway, I take it, at Canoe river, but may I point out that from the western boundary of Jasper park to Canoe river no work has been done, according to my information, and there is no road there. I think I am correct in that.

Mr. BENNETT: A tote road to Kamloops.

Mr. MURPHY: But not a road that could be described as a highway or a tourist road in any sense of the word. Until these two sections, namely the section between Edmonton and the eastern boundary of the park and the section between the western boundary and Canoe river are put in passable condition it would not seem to be of very great advantage to the dominion to push the road through to the western boundary of Jasper park. We have been utilizing the services of single homeless men in Jasper park for many purposes, such as establishing tourist camp sites and building and improving the highways within the park itself which are used by tourists and others.

Mr. STEWART (Edmonton): May I say to my hon. friend, while he is on that question, that last summer I travelled over some twenty-five miles of very fair new highway which I presume, and as a matter of fact I know, was to connect with the projected road from Lake Louise to Jasper. All I am urging is that this remain in abeyance until we have through highways to the coast, that this construction be discontinued until the highways are completed.

Mr. BENNETT: That would give connection through to the coast from Edmonton.

Mr. STEWART (Edmonton): But my right hon. friend must realize that if you travel by way of Lake Louise rather than by the shorter route you must go a great deal out of your way. I can speak only from the information I have obtained from the engineers, and while I admit at once that the reconnaissance surveys north to Canoe river were somewhat indefinite, yet if my information is correct you must go over a summit of six thousand feet coming from Lake Louise, so this will not be of very much use as a motor highway during the summer months. Many years ago in the Crowsnest pass, where the summit is over 5,200 feet, we had the road open only about one month in the year, and my hon. friend knows quite well that in the vicinity of Lake Louise we frequently must remove a tremendous amount of snow before the existing roads are passable. If my memory serve me rightly, however, the greatest elevation if you travel to the coast by way of Jasper is 3,400 feet. Of course that is not true of the southern highway, but the southern highway is so much nearer completion that I would urge its completion first, at the same time continuing to project the road over an easy summit and connecting it up with the highway that is being completed by the southern route. That is all I am urging. I have no particular objection to seeing this road completed in the years to come; in the last two or three years a good deal of expenditure has been made in connection with it, but I do urge that before further expenditure is made upon that road both the other highways be completed in order that people may have access to the coast over Canadian territory.

Mr. MURPHY: The hon. member for West Edmonton must admit that the dominion has carried out, and in fact more than carried out its undertaking with the province of British Columbia in constructing the Big Bend highway. As I said a few moments ago, in constructing the eastern leg of that road we are now within some twenty-eight miles of Canoe river, and that is the portion of the road which the dominion obligated itself to complete. As a matter of fact the western leg, which the province of British Columbia agreed to construct, is very far from completion. When I said a moment ago that the dominion has done more than it obligated itself to do, that was made possible only by the work the dominion is carrying on in providing employment for single homeless men. Under that scheme the Department of National Defence did construct last summer several miles of road on the western leg, and by an arrangement with that department the dominion government, through the Department of the Interior, constructed a certain part of the road between Donald and Golden, which is a purely provincial responsibility. Therefore I do not think the dominion government can be charged with any laxity in pushing the all-Canadian highway westward to the Pacific coast. As a matter of fact, had the province of British Columbia completed the work in accordance with the terms of the agreement, by the end of the present year there would be an all weather road through to the coast. So while the hon. gentleman urges that the dominion should make greater efforts to complete this road I think it can be said that the dominion has made very great progress, since they have done more than under the agreement they obligated themselves to do. Further may I point out that while the hon. member urges the completion of the Edmonton-Jasper highway westward, that portion of the road between the western boundary of Jasper Park and Canoe river is a provincial responsibility.

Mr. STEWART (Edmonton): Part of it would not be if Mount Robson were added to the park.

Mr. MURPHY: There is a large "if" there; if such and such were done it would be a different matter. That portion of the road from the western boundary of Jasper park to Canoe river is a provincial responsibility practically in toto, and while the hon. member urges the completion of a national highway through to the coast I have endeavoured to point out to him that the dominion has made very great efforts to push forward a road to completion in order to give the people of Canada access to the coast. The hon. member also mentions the work that has been done under the unemployment relief scheme in the construction of a road from Lake Louise to Jasper, and I am very happy to state that over fifty miles of that road has been constructed by means of relief labour. I have travelled over it from Lake Louise north and from the Jasper end south.

Mr. STEWART (Edmonton): How many miles have been constructed from Lake Louise north?

Mr. MURPHY: Some twenty odd miles, and a greater number of miles at the other end.

Mr. BENNETT: Twenty-four and twenty-six miles.

Mr. MURPHY: That is approximately correct, and I may say that this road will be one of the most scenic roads in Canada. That, of course, is a purely dominion responsibility, because that road lies within Banff and Jasper park. Upon its completion it will provide an outlet for the people of Edmonton and others in the northern parts on which to travel to the coast. True, it is a different route from that which the hon. member advocates, but surely it is not contended that the dominion should be expected to carry on the construction of two transcontinental highways through the Rockies to the coast. One transcontinental highway should serve the purpose. But if another road is desired and the province see fit to connect up Canoe river eastward to the boundary of Jasper park, well and good. That would provide an alternative route.

While on the subject of the work done in our national parks under the relief scheme I would point out that we have carried on work not only in Jasper and Banff but in the other parks, for instance, at Waterton in southern Alberta, a certain amount in Yoho park and a considerable amount in Prince Albert, Saskatchewan, and in Riding Mountain park in my own province of Manitoba.

May I here pay tribute to those who have had charge of that work? It has been my privilege on more than one occasion to visit the work that has been done, and I can say that the roads that have been built are up to the park standard. They have been well built. The other works that have been carried on, such as underbrushing to prevent forest fires, the construction of trails and of certain needed buildings and bridges and other works too numerous to mention, are all a

credit I think to those who have been in charge of the work. It will be a permanent asset to the people of this country.

I have visited the camps in all of these parks with the exception of Yoho, and so far as I could judge on a visit which was not advertised in advance, with no one knowing that I was coming with the exception of my party, the men were contented. They were well housed, well clothed, and well fed. There was a big difference in their appearance and in their morale when they came out in the spring than when they entered those camps in the fall of the year. I may have something more to say on this subject, Mr. Chairman, on another occasion if it seems advisable.

Mr. HEENAN: May I ask the Minister of the Interior what rate of pay the men received on that work?

Mr. MURPHY: My hon. friend asks what wages were paid on that work. Wages as such have never been considered as being paid. These men were placed there on a sustenance basis. They were given their food and their shelter, and their clothing and equipment to fit them for their work. In addition, they were given an allowance of twenty cents a day, which was given not as wages but to enable them to provide themselves with certain necessaries such as shaving equipment, toilet articles, tooth brushes, soap, towels and so forth, and tobacco. The twenty cents a day was not paid to these men as a wage. They were there simply on a sustenance basis. It had been pointed out to the dominion government that through no fault of their own these unemployed men did not belong to any particular municipality, and therefore not being considered a charge upon any particular municipality it was contended that they were a dominion responsibility. The dominion through the Department of the Interior and the Department of National Defence have been taking care of a good many thousands of men falling within that category. But again I wish to emphasize that it has never been my understanding that these men were working on a wage basis. It was a matter of sustenance and sustenance alone.

Mr. HEENAN: That brings me to another question, and I am glad that the minister has been so frank in his answer. The Ontario government took the same position in regard to their camps, but they have recently issued a statement that from the first of April they are going to pay wages to the extent of twenty-five cents an hour. Might I ask if this government intends to follow the example of the Ontario government in the work that is being done in the national parks under the Minister of the Interior and in connection with the air fields under the Minister of National Defence?

Mr. MURPHY: I take it that the policy of the government will be made known by the Prime Minister in due season. I am not prepared to make a statement on that point.

Mr. HEENAN: So long as the matter is still under consideration and the answer is not definitely no, I am satisfied to wait. But I should have thought that a time like this when the government is asking for a blank cheque would be a good opportunity to make an announcement.

Mr. STEWART (Edmonton): I thank the Minister of the Interior very much for his very full explanation of the improvements being carried on in the parks. I will agree at once with his statement that the work is well done because I have some knowledge of the personnel that is still carrying on there.

The Minister of the Interior seems to feel that British Columbia should not be given greater assistance. As I understood the program carried on throughout Canada, the Department of National Defence has undertaken the responsibility of taking care of the unmarried men at camps which they have established all over the country. If I am not mistaken there was a camp of these men under the Department of National Defence on the highway leading to Banff inside the park area.

Mr. BENNETT: There is one near here.

Mr. STEWART (Edmonton): I merely mentioned that fact in passing. This national highway was a pet scheme of my own when I was Minister of the Interior. I was extremely anxious that we should have an all-Canadian route. True I was not as anxious about the northern portion as I was to complete the southern portion, because with its completion we would at least have one highway on which we could go through to the coast without passing through American territory. But as Jasper developed and as the provincial government began to project their highway to Jasper, in 1926 I had the very definite promise of that provincial government that within one year they would have completed their highway to the park; they would not have it all gravelled, not an all-weather highway, but they would have a highway reaching the eastern boundary of Jasper park. With that understanding, as Minister of the Interior I secured a vote in

the House of Commons here for the purpose of taking up the ties on the abandoned grade and constructing a road from the town of Jasper to the eastern boundary. I regret very much that the provincial government did not carry out their part of the agreement. So far as I know there is still a small mileage that is not an all-weather highway from Edmonton into the park, but I am not finding fault with anybody. All I am urging now is that inasmuch as the federal government for relief purposes have camps on highways all across Canada under the Department of National Defence—

Mr. BENNETT: Other classes of work as well.

Mr. STEWART (Edmonton): I am speaking now primarily of highways. It is not likely that the British Columbia government will complete that sixty-six odd miles for some years to come. They may do so, but judging from the statement of their provincial treasurer the province is not going to be in a very healthy condition financially to undertake works of this kind, and I should like to see work on that piece of highway concentrated under the Department of National Defence in order that it may be completed. Instead of concentrating on the highway leading from Lake Louise to Jasper, which runs in a southeasterly direction, I think the minister should concentrate on getting to the edge of the park. Then if the highway is to go on, the Department of National Defence might carry on to connect with the southern highway. I am finding no fault with what the minister or the department has done because I have seen the work and I agree with the minister when he states it is well done. The northern section of the highway from Jasper to Lake Louise will be valuable as a scenic route for tourists because it passes many beautiful lakes and does not have to go over any great height of land, such as is the case in the southern end. It will be valuable to that extent and certainly the work has not been wasted. I contend that before any further work is done on that particular piece of highway, there should be concentration on the other.

Mr. BENNETT: The representatives of the Edmonton board of trade and chamber of commerce called on me when I was last in the west and we resumed a conversation which we had had some years before in connection with this work. The provincial government was unable to complete the highway west to the eastern boundary of Jasper park. We gave assistance and men were actually encamped on the line west of Edson. However, winter came on and it was not possible to continue with the work. I think the hon. gentleman knows exactly what happened—a snowstorm came up and it was impossible to carry on. It is the intention to assist the provincial authorities as far as possible to complete the line into Jasper park. From Jasper park west it has been completed by the federal government. Some years ago when we were carrying on relief measures, representatives from the Edmonton district concluded that it was desirable to cut that road through to lake Louise in order to enable people coming in from the south to reach Jasper and go back by way of Edmonton and those coming in from Saskatchewan and the north to go south and then return on the other highway, in other words, make a round trip of it. The road which has been cut through is said by those well able to judge to be the most beautiful road in western Canada, but I am not in position to state just how accurate that statement is. I do not think it is fair for the hon. gentleman to suggest that any government, under existing conditions, should undertake the construction of a highway from the western boundary of Jasper park to Canoe river or Kamloops. There is a tote road down there and the reconnaissance survey indicates that the construction of a highway would cost a very substantial sum of money. That money would have to be found by the province and the province is not in position to find it. British Columbia agreed in a written contract to complete this part of the highway up to the western boundary of Riding Mountain park. That work has not been done but the government is assisting in the completion of that line. So far as it may be possible to do so, the work will be carried on and a highway completed to permit a continuous journey through Banff national park, past Canoe river and down to the coast. The cost of the work on the British Columbia side was somewhat greater than was anticipated when this house confirmed the agreement some years ago. Nevertheless, to the extent that it may be possible to do so an endeavour will be made to complete the line through to the coast even though by so doing we will be discharging obligations undertaken by British Columbia.

May I say a word with respect to the sustenance employment given to these men working in the parks, Riding Mountain, Banff and other places. They are told that whenever an opportunity for permanent employment offers

they are free to leave the camps. An effort is being made constantly to provide them with employment at suitable wages. In many instances this has been successful and the number of camps has become less than it was when they were first started.

Sir EUGENE FISET: I wonder if the Minister of Labour (Mr. Gordon) will be good enough to amplify the statement he made just before six o'clock as to the future relations between the federal and provincial governments in so far as the relief of unemployment is concerned. A few days before the Easter recess he stated in answer to a question asked by me that it was the intention of the government to invite the provinces to a conference in Ottawa with a view to establishing a new system of direct relief. He made the positive statement that the federal government was to call the provinces to this conference, but just before six o'clock he left the committee under the impression that only those provinces which could not find their way clear to provide for unemployment would be called to Ottawa in conference. That statement is a direct contradiction of what he said before the Easter recess. I might as well tell him that the statement he made before the recess received fairly wide publication. I have received many letters asking when this famous conference was to take place but the only answer I was able to give was that given to me by the minister. The minister told the committee that the western provinces already had been called into conference and I should like to know if it is the intention of the government to call other provinces, for instance Quebec, into conference as soon as possible after the Easter recess.

Mr. GORDON: I do not think there need be any confusion in the mind of anyone in connection with the relationship between the dominion and the provinces. If a province can get along and discharge its own constitutional responsibilities, I hope that province will not come to Ottawa seeking money simply because some other province less fortunately situated financially has had to appeal to the federal government to supplement its own efforts in looking after its own constitutional responsibilities. That is the thought that I intended to convey. I hope that some of the provinces may be able to take care of at least the greater share of their relief requirements without help from the federal authorities. They may not be able to do this one hundred per cent, but they may be able to do more than they have been able to do in the last two or three years. These are matters which will have to be discussed by this government with the representatives of those provinces which acknowledge their inability to discharge their constitutional functions.

Sir EUGENE FISET: What government is going to take the first step to ascertain if a province needs further direct relief? In the past the federal government took the initial step. For my own information I should like to know if the federal government is going to continue to take the first step to ascertain whether the provinces are able to carry their own burdens or whether they will require assistance from the federal government.

Mr. BENNETT: May I assure the hon. gentleman that until this legislation is passed the provinces will have to look after themselves. What action is to be taken will be determined by the time it takes to pass this legislation.

Sir EUGENE FISET: I might tell my right hon. friend that I said, after this legislation is passed.

Mr. BRADETTE: I wish to discuss the question mentioned by the hon. member for Kenora-Rainy River, and of which the minister has knowledge. Last week Mr. Finlayson stated that work on the trans-Canada highway would be started west of the town of Hearst. This is a message that has been received with great joy in my section of the country and also in the riding represented by the Minister of Labour, and I should like to receive from the minister an assurance that the government of Ontario has approached him in this matter in his capacity as head of the unemployment relief administration.

There is one question which is of very great importance to our section and it is this. Construction of the highway west of Hearst is a problem that must have been studied carefully during the last three years—that is, the routing of the road. If the road swings back immediately south of Hearst it will have no significance to our section from the point of view of tourist traffic. The routing of the road west of Hearst should go westerly following the National Transcontinental highway for a considerable distance, at least as far west as Nakina. I draw this to the attention of the minister because I think he is familiar with the situation so far as the trans-Canada highway is concerned, and I think that sufficient time has been given the provincial government to study the proper routing of the road.

I should be glad if the minister could tell the committee that what Mr. Finlayson has

said will be carried out in the course of the summer, and that the work will be started very soon in the spring.

There is another matter which is discussed a good deal in our section of the country, and that is the land-bonusing scheme. I believe the impression has been created in northern Ontario that the scheme will be financed partly by the federal government and partly by the treasury of Ontario, and this is one of the best ways whereby to remedy the dire situation that exists among our settlers in northern Ontario. It may be suggested that such promises are made only in anticipation of an election, but I do not take it in that sense. I am sure that if this promise were implemented it would provide an excellent way of improving the condition of our settlers, and the beneficial results would be reflected not only throughout Ontario but in the whole of Canada.

Another matter in which I know the department is interested is the back to the land movement. I would point out to the minister that this year most of the people settled under the scheme in northern Ontario will find it absolutely impossible out of the $10 a month that they receive, or, to be precise, out of the $200 they get yearly for three years, to supply themselves with the necessary seed grain. This being so, I think that everyone will realize at once that unless the necessary seed is given them free the people who have settled under the back to the land movement will find it utterly impossible to get along this season, because they cannot provide seed for themselves this year. It is true that some of these people have been operating under the scheme for the last two years, and some settled last year. The question may be asked: How is it that these new settlers did not find it possible to grow sufficient grain to supply their own requirements for the coming season? Well, the answer will suggest itself to anyone who is at all familiar with the climatic conditions that prevailed last summer in that part of the country. The conditions were such last year on account of the drought that practically no grain could be grown on the land by these people, and that should convince the committee and the minister that it would be impossible for these people, out of the $200 they receive under the tripartite arrangement, the contributors being the municipal, provincial and federal authorities, to provide sufficient funds to buy the necessary seed grain. I believe that the government of Ontario led the settlers in my own section of northern Ontario as a whole to understand that they would be supplied with seed this spring. Now, I do not believe in giving a wrong impression of any situation, but I am bound to say to the minister that in my section not five per cent of the settlers will be in a position this spring to buy seed grain, and I know that if the grain is not given them free most of the area ploughed last fall will remain uncultivated. It will be absolutely impossible for these people to put the ground under crop, and from that statement the committee will realize that the situation will be aggravated next fall; it will be worse than it is this spring. I do not know how far the federal authority will go in supplying the seed grain to the settlers who have been on these farms a number of years, but I do know that under the back to the land scheme the government will have to find funds sufficient to supply with seed for the coming spring the new men placed under the direct policy of the federal government.

Reverting to the important question of the trans-Canada highway, I must repeat the statement I made a few moments ago that when that message on the subject was delivered by Mr. Finlayson it was received with considerable enthusiasm in my own section of the country. In view of the fact that the federal government is contributing fifty per cent of the money spent on the trans-Canada highway, I think it should have something to say in regard to the routing of this highway, and we fervently hope that, in the light of the knowledge and experience of the present federal Minister of Labour, the routing will be one that will satisfy our section. I will not take up the time of the committee reading several editorials that have appeared in the Northern Tribune of Kapuskasing and in the Cochrane Northland Post, but it is pointed out in these articles that it would be deplorable if the government did not push the route westward following the Canadian National line as far as Nakina, then branching off with the other branch of the trans-Canada highway from the southern section of northern Ontario and eventually connecting direct with Winnipeg. If the road were constructed immediately south of the town of Hearst, following the Algoma Central and giving direct communication with Sault Ste. Marie, that would not provide a solution of the problem from our point of view, because it would not give the communication to which we are entitled. I should like the minister therefore to be kind enough to answer the three questions I have submitted to him.

Mr. GORDON: Replying to the first question about the routing of the trans-Canada highway, I have not read in the press any announcement that Mr. Finlayson may have made, but I have no doubt that it was made as the hon. member has said. However, the routing of the trans-Canada highway throughout the various provinces is a matter which is of course entirely within the judgment of the provinces, and the federal authority has been in the past from time to time formally notified of the terms of any order in council designating any particular stretch of what has been euphoniously called the trans-Canada highway. That official notification the federal government has not yet received; I suppose we shall receive it in due course.

With respect to the bonusing of settlers, that is a purely provincial matter. I do not share the gloomy view which my hon. friend from North Timiskaming seems to hold of the position of the farmer and the settler in Timiskaming—indeed—it is probably to be regretted he has painted the picture as he has. I think I am as well acquainted as any other person with the farmers and settlers in that county, and while they have had their difficulties, I have seen years when the difficulties were immeasurably more trying than they have been in the last four or even in the last ten years. They have through the clay belt adopted methods of farming that perhaps have placed them in the forefront of agricultural activities in Canada. They have no trouble in holding up their end at any of the agricultural fairs. They have a large mining market at hand of which they take advantage; they are organized in a cooperative sense to sell their vegetables and all the other products of the farm and to put them up in an attractive way for those big mining markets, and I certainly do not share with my hon. friend the picture he paints of the farmer and settler in Timiskaming.

With respect to seed grain, that is another purely provincial matter, and I am informed that at no time have the federal government advanced money directly to the farmers for seed grain. They have for many years past at times lent money to some of the provinces which in turn have supplied seed grain to those unable to procure it for themselves. If in certain localities or with certain individuals the condition is as the hon. member for North Timiskaming has stated, then the proper course would be to call the attention of the provincial authorities to that situation, because in spite of what has been said here, I still have enough confidence in the provincial authorities of Ontario to feel that they will take care of a situation like that and not see worthy settlers unable to put in a crop because of their not being able to finance the purchase of seed grain.

Mr. BRADETTE: I wish to enlarge slightly on what the minister has said. First of all, as regards the routing of the trans-Canada highway, I knew this was a provincial matter, but in view of the fact, as I stated a few moments ago, that fifty per cent of the money is being raised by the federal government, I thought we should have some say as to the routing of the road so that it would not be run where it would be of no use or would not fulfil the purpose for which it was built. The only reason I brought the matter to the attention of the minister was that he is familiar with the exact situation. In our section we maintain, and rightly so, that if that routing goes directly south of the town of Hearst it would not be satisfactory and it could not be called part of the trans-Canada highway. Surely the minister must have some jurisdiction in the matter when at least fifty per cent of the money spent for that particular purpose is being given by the central authorities, and as he is also familiar with our section of the country, whatever he may say in an advisory way will certainly be listened to, as coming from a man acquainted with the situation.

As regards the settlers, I do not want the impression to be created that I was desirous of painting a very gloomy picture, but I must tell the minister that in my section most of the farmers are settlers, the majority of them trying to emerge or graduate from the settler into the farmer class. This is not the case in the riding which the minister represents because it has been in existence for a longer period of time and there most of the settlers have already graduated from the settler into the farmer class. It is true that we have local markets, but it is also true that, for several reasons which I intend to mention when the agriculture estimates are under discussion, we cannot take full advantage of those local or regional markets in our section of the country. The minister well knows through the reports made to the provincial government that, take for instance, west of the town of Cochrane in the Hearst, Kapuskasing and Cochrane district—and this does not apply so forcibly to Matheson, Ramore and Val Gagné—nearly ninety per cent of the farmers and settlers have been on direct relief for the last two years, and were it not for that relief most of them would have found

it impossible to live on their holdings. I fully appreciate the fact that the distribution of seed grain is a matter coming primarily under provincial jurisdiction, but the fact is also that we must have a certain amount of responsibility when we contribute fifty per cent of the money spent on direct relief. On that score again I believe the minister could give help in an advisory capacity by allowing at least quite a number of the settlers on their new holdings to have free seed grain for this year. It is all very well to say that in the past they were supplied with seed grain, but it was not free. This year I had the experience of having some settlers come to my home who, on account of liens against them for seed grain supplied a few years ago, had had their farm holdings cancelled. Some of them who had lived on their farms for fifteen or twenty years lost their holdings. The government was no doubt right in taking back the crown land because the settlers had had a long period of time to repay those amounts, but if another such loan is made to the settlers many of them will find themselves in the same position; their holdings will be cancelled and threats will be held over their heads for years and years, so that eventually they will become discouraged in their calling. This is not giving a gloomy picture of the situation; it is bringing to the attention of the country a problem which we should not be afraid to tackle. With the minister's knowledge of conditions in his and my sections of the country, his personal influence should be used so that there will be no lack of seed grain to cultivate this year all the acreage that is tillable.

Mr. GRAY: Perhaps the minister has given the answer before, but we in Ontario would be interested in knowing how many settlers have been placed in northern Ontario under the land settlement scheme. Perhaps he could give the information by years under that scheme by which the municipality contributes $200, the province $200 and the dominion a like amount.

Mr. GORDON: I gave the details before, but I will give them again. In Ontario there were 362 heads of families with 1,471 dependents settled on 27,400 acres. Is that the information the hon. member wants?

Mr. GRAY: Yes. How many of those people have been returned to their municipalities?

Mr. GORDON: I think none of those has been returned. Those are the ones at present on their locations. There were some who were returned to the municipalities.

[Mr. Bradette.]

Mr. GRAY: That is the information I would like.

Mr. GORDON: I do not know the exact number, but the percentage is very small. Of course there are bound to be some who will not succeed.

Mr. GRAY: Does the minister suggest that they are making a success of the venture?

Mr. GORDON: That is what our reports state. I saw an exhaustive report made by the Reverend J. C. Cochrane who has had an extensive experience in colonization work throughout that part of northern Ontario. His report was made public and I think published subsequently by the Ontario government. I had an opportunity to read it, and I depend a great deal on anything the Reverend Mr. Cochrane would say, knowing him as I do and knowing his experience in opening up land for settlement there, and his close contact with and interest in the settlers in the early stages of establishing their farms and getting their buildings in shape and developing their holdings. Although he makes some criticisms, I would say that of all the so-called colonization schemes that have been inaugurated in the past there is none that has been as successful as this one of colonization at home, although as I said some people got past the choosing committees who really had little chance from the beginning to succeed. They were returned to the municipalities from which they came. Of course we must expect some failures.

Mr. MOORE (Ontario): I have no desire to prolong this debate, but I should like to ask the minister whether he is aware of the special conditions which prevail in rural municipalities adjacent to industrial centres. Many people who have drifted into such areas are in need of relief or on relief, but the rural organization in some instances is not in a position to fulfil all the requirements of this plan. I have several such municipalities in mind. I know of one in which unhappily there has been malnutrition, and insufficiency of clothing. The situation, of course, is that in these rural municipalities the farmers are really not in a position to meet the special requirements of these people who have drifted across their borders and do not properly belong to the municipality in which they happen to be.

While on my feet may I say that I thought the minister was just a little ungenerous the other day when he referred to the lack of sympathy, if you like, from this side of the

house, and seemed to suggest that we do not appreciate the improvement that has taken place in conditions. May I say for myself that I have been reading the barometer as carefully as I could, and I have been calling off improvement wherever I saw it. I believe sincerely that we are pulling out of this depression. But one thing that our people must have is confidence, and most of all must they have confidence in government—which applies not only to Canada but to all countries. Now, unusual legislation does not inspire confidence. I think if it were not for the unusual privileges that the government ask I should vote for this bill. I should like to vote for it. But I should like the minister to consider whether all the unusual clauses are required. I should like him to consider the effect that such legislation has on the public mind. People cannot contract with confidence so long as they are told that unusual conditions exist, that emergent measures are required. And if they cannot contract with confidence they cannot employ labour, they cannot pay wages, they cannot look forward to buying and selling in the ordinary way. I would have the minister consider these matters, because it seems to me that in an attempt to meet one set of conditions the government may bring about another set of conditions entirely different from what they may have expected.

Mr. REID: The minister in answer to a question said the other evening that some reforestation work was being done in some of the provinces. I would like to ask if any reforestation work is being done in British Columbia, either under his department or any other department of the government. The reason I ask is that while the minister may say that it is up to the provinces to carry on this work, I think he or the government would be well advised to consider a national scheme. Surely we are not going to stand by and see our forests depleted; and under the modern system of logging they are not only being depleted but are being severely injured from the point of view of future growth. Surely we are not going to leave nothing but debts to the coming generation. I know of no finer national undertaking that might emanate from this administration than some scheme of reforestation in the provinces suitable for that purpose. Most countries to-day are doing a certain amount of reforestation work. I need scarcely name them—Great Britain particularly is doing it; so is France, and so is the United States. Here is work that is useful, work from which the coming generation will receive benefit.

I have here the report of the auditor general, and would like to ask the minister if the auditor general in his investigations in British Columbia went as far back as in the case of the other provinces.

Mr. GORDON: In answer to the hon. member for Ontario (Mr. Moore) let me say that I appreciate his observations with respect to legislation of an unusual character. There is no question that that is one of the risks attendant upon emergent conditions, and perhaps I might say emergent legislation. Much thought has been given to the question of the powers asked for in this legislation. Some of those powers I should like to think could be abandoned, but I do not believe that they should be abandoned this year. However, as the hon. member will note, some that were found in last year's legislation have been omitted in this year's legislation; for instance that with respect to guarantees, advances, and so forth, to public bodies, does not appear in this year's bill. I regret that we have to differ as to the necessity for the various powers contained in the bill. I believe that they are necessary for this coming year. I hope that before the year is out we shall have made further progress, and I agree with the hon. member when he says that in his judgment we are pulling through. I believe we are; there are evidences of it. It may take some time for this country and for the whole trade of the world to become substantially readjusted and to get the channels of trade open, because one country cannot do it alone. That is the difficulty Canada has had to face. No one wanted to take any action, governmental or otherwise, that would prevent the free exchange of goods so far as that is humanly possible. But when you find your country in the midst of a national and international tariff war it is sheer folly to think that, if you are to survive, you need not take such action, for a time at least, as will maintain your industries and your agriculture, certainly not as actively as they would be under different conditions, but at least preserving their integrity pending some better understanding among the nations of the world.

With respect to the other question to which the hon. member directed my attention, on a number of occasions similar situations have been brought to my notice. I have no doubt that from time to time the provincial governments are notified in such cases. I have drawn the matter to the attention of provincial governments on a number of occasions, and I should be glad indeed if the hon. member would let me have the name of the

municipality in which the condition exists. I will draw the matter to the attention of the provincial authorities, and I believe they would hasten to take such action as might be necessary to put such people beyond any danger of malnutrition or anything of the kind.

Mr. MOORE (Ontario): I shall gladly take advantage of the offer of the minister, and I appreciate his kindness.

Mr. REID: I was not particularly complaining about the malnutrition of the youth of the land. The minister is perhaps well aware that British Columbia is doing its full share in the work of reforestation, but the minister also knows that British Columbia, together with the other provinces, is carrying an excessive load in regard to unemployment. It is not a matter of suggesting something to the provinces or pointing out something; my suggestion is that the dominion government join in a national scheme of reforestation in cooperation with the various provinces. Some of the provinces are carrying on this work, including British Columbia, but perhaps it is not being pursued to the extent it should be during the present economic distress.

Now I would ask the minister if, in his report, the auditor general went back as far in regard to British Columbia as he did in regard to the other provinces. I should like to know just how far back his investigation extended.

Mr. GORDON: I have not the report of the auditor general before me, but it is available; I tabled it myself. I would respectfully ask the hon. member to avail himself of that report; I do not have it here or I should be glad to give the information. With respect to reforestation may I tell my hon. friend that the government has been doing reforestation throughout Canada, wherever there are federally owned lands adapted to that work. Up to date some millions of trees have been set out through the agency of the departments of the Interior and National Defence. I am thoroughly in agreement with the hon. member for New Westminster when he says this is a useful and desirable work; perhaps in some respects no better work could be carried on. The Dominion government is well aware of the desirability of continuing this work.

Mr. REID: In the report that has been laid on the table I notice in the statement of amounts refunded by the provinces under the various relief acts that British Columbia made one refund of $23,955.26, and below I see another item of $11,955.87. I do not see any refund for 1931, and in that connection I should like to direct the minister's attention to a statement made in the report with regard to expenditures made in British Columbia in 1931, I believe. In this report it is stated that investigations have been instituted by the Department of Labour, and I am going to ask the minister if he will be good enough either to investigate the situation to which I am going to refer or to make a statement to the committee now, because I think the matter is very important. According to the auditor general's report I find that an amount charged for supplies, totalling $72,524.36, practically disappeared. I do not think this measure should go through until something is done in this connection. I am going to suggest to this government that an investigation be launched and that, if possible, the officials responsible for the disappearance of these supplies should be indicted. I read from page 40 of the report:

> Unissued stores charged to "material account" and not distributed—$72,524.36: Although the provincial inventory showed these materials ("purchased from unemployment relief funds") as on hand at November 30, 1931, that is, after the relief program was discontinued, no credit for unissued stores appears to have been passed to joint account.

This is the significant part:

> The ultimate disposal of these stores was not traced during the investigation.

I believe they should be traced; I believe the department should send an official to British Columbia to find out where these stores went. This is part of the steal that took place in 1931, to which I directed the attention of the government when I was making some suggestions in connection with the misappropriation of funds by the provincial government during that year. I am going to ask the minister what he is going to do about these stores that disappeared.

Mr. GORDON: Mr. Chairman, following the auditor general's report there was a refund from the province of British Columbia amounting to $23,956.26. Then by reason of the investigation, if you like to call it that, or the adjustments made direct through the Department of Labour a further refund of $11,955.87 was made. Questions of adjustments, refunds and matters of that character are constantly under way with the staff we have, and I will make a special effort to look into the matter the hon. member has drawn to my attention.

Mr. MITCHELL: I should like to ask a question before the discussion closes. Is

the federal government sympathetic to the announcement of the Ontario government that relief allowances are to be increased by twenty-five per cent? Will the federal grant to the provincial government be increased automatically?

Mr. GORDON: I have not seen, nor have I been notified, what the Ontario government is doing, but, as I indicated before, any contribution that may be made by the federal government to the province of Ontario will have to be the subject matter of an agreement between the two governments after and if this legislation passes through parliament, and the authority to enter into such an agreement is vested in the government.

Mr. MITCHELL: It would be fair to say then that up to the moment it is not a part of the policy of the federal government but merely a declaration by the government of Ontario on its own behalf?

Mr. GORDON: Of course no province can adopt a course that will involve the dominion treasury without the matter first being discussed and agreed upon. While it may seem that there has been a very large amount of money spent from the federal treasury, if we had contributed all the money that all the provinces wanted I am afraid the picture would indeed be a romantic one.

Mr. MacINNIS: Has the government considered increasing the direct relief or any relief owing to the increase in the cost of living over the past few months?

Mr. GORDON: So far as direct relief is concerned—and in passing I am glad to observe that the hon. member for Vancouver South recognizes that very desirable condition of affairs, namely that there has been a rise in commodity price levels—the federal government has not up to date under the various agreements dictated to the municipalities or to the provinces what they should supply or the quantity. The question the hon. member has raised will be the subject of consideration because it is obvious that it could not be determined in a moment, having, as it has, its own complexities.

Mr. CASGRAIN: Following up the question asked by the hon. member for Rimouski (Sir Eugène Fiset) might I ask if consideration has been given to continuing direct relief for the provinces? The government had conferences with the provinces in the month of January before the session opened and I should like to know if any agreement or understanding was reached at those conferences between this government and the provinces as to the continuation of direct relief, and if so, for how long a period.

Mr. GORDON: At the dominion-provincial conference in the early part of this year many phases of relief matters were discussed at great length. There was considerable diversity of opinion among the various provinces, though not in an acrimonious way, with respect to what their responsibilities and burdens might be during the remainder of the winter and into the spring and early summer. Certain reports were made by the various provincial representatives giving their viewpoints, but no agreement was entered into as to the continuation of dominion contributions. It was merely a recitation of the views of the provincial premiers and representatives as to what the future would disclose with respect to the necessity of taking care of those who were unable to take care of themselves.

Mr. CASGRAIN: Was not the opinion expressed by this government that direct relief would be discontinued after April 1, or some other date?

Mr. GORDON: That hope was expressed.

Mr. CASGRAIN: Do I understand that there is going to be another conference between the provinces to settle this very question of direct relief?

Mr. GORDON: I thought I had made it clear a while ago that if this legislation passes and any of the provinces is unable to carry its responsibilities, then the dominion will have to avail itself of this legislation to assist such provinces; but it will have to be made clear that they are unable to do it themselves.

Mr. CASGRAIN: Then do I understand it will be up to the provinces to come and ask the government to help them in the matter of direct relief?

Mr. GORDON: We are not going to force it on them.

Mr. CASGRAIN: No. It will be up to the provinces to come to this government and ask to be helped in carrying on direct relief.

Mr. GORDON: Yes, they have done that each year.

Mr. CASGRAIN: Going back to the subject that I brought up a little while ago, and which apparently caused a lot of other members to speak upon it, I should like to ask for information regarding the Department of the Interior and the administration of the Yukon territory. The minister, if I remember aright, said that in that part of the country there is

a population of from 1,800 to 2,000 people, and that the amount of $20,000 odd was spent in the year 1930 for the relief of those people. I should like to draw to the attention of the minister and the country at large the fact that this parliament is being asked to spend for the fiscal year 1934-35 very large sums of money for that part of the country. At page 11 of the estimates for the fiscal year ending March 31, 1935, I find an item of $9,500 for the Yukon territory, for miscellaneous expenditure, including salaries and allowances of court officers, and so on. Then on page 13 there is an item of $9,000 for the Yukon territory for the salary of the judge of the territorial court. Then at page 50 there is the sum of $102,000 for the following items under the heading of Government of the Yukon territory:

Salaries and expenses connected with the administration of the territory, including surveys, $42,000.

Grant to Yukon council for local purposes, the construction and maintenance of roads and such other expenditures as the commissioner is authorized to expend by and with the advice and consent of the council or any committee thereof; and the accounts with respect to such expenditure shall be subject to examination and audit by the auditor general as provided by section 22, chapter 215, revised statutes, 1927, $60,000—Total, $102,000.

Then at page 58 under the heading of Public Works, chargeable to collection of revenue, there is an item in vote 255 of $108,000 for the Yukon system, main line telegraph and telephone lines. Last year that item was $116,500. We are being called upon to vote in the main estimates all these various sums to look after a population which the minister told us was between 1,800 and 2,000. I submit that the cost of government is too great for a population of that size and for the revenue which the government is deriving from that part of the country. I was astounded this afternoon when the minister stated that some $20,000 had been paid out in direct relief during 1930 for the small population in the Yukon. In spite of this we are called upon year after year to vote money for the construction of roads and other purposes. There cannot be many people in that part of the country who are out of work, because the whole population is only between 1,800 and 2,000. Apparently nearly everyone, both old and young, has been given direct relief. These great expenditures are one of the causes why the people are exasperated. They see this duplication of government services and realize that we are over-governed and spending too much money for the administration of a small part of the country. When the redistribution bill was up last year I referred to this matter and directed attention to the fact that a member of this house represented a very small population. The territory he represented might be large in area but the population did not compare with that of the district I represent, which amounts to over 55,000. I believe the administration of the Yukon costs more each year than is spent in the district which I represent. Last year and the year before when we were discussing the estimates for public telephone and telegraph services I asked for a vote to repair the telegraph line running from Saguenay to Newfoundland. This has been carried on each year little by little, we have a vote of $15,000 one year and then perhaps $25,000. That is all we can get but yet this other district with such a small population is able to get the large amounts which I have mentioned. The expenditures which have been made should be scrutinized fully. We should have full details of the people who have been on direct relief. Considering the small population of the Yukon, everyone must be either an official of the government or else working for the contractors building these roads. I am surprised to hear that we have to spend $20,000 for the relief of such a small population, when in addition large sums of money are voted every year for the maintenance and support of the government which they have up there.

Mr. MICHAUD: Another angle to this question has been brought to my attention by statements accredited to the premier of New Brunswick which appear in the Telegraph-Journal of Saint John of April 9. In my opinion the premier has not been correctly reported. The dispatch reads:

Commenting upon matters discussed at Ottawa, the premier stated: "Among other matters, we took up the question of the agricultural school to be established at the Fredericton experimental station and the training of single men in the relief camp at Sunbury in woods operations. It is being brought to my attention," he continued, "that a number of the younger men, who came of age recently, know little or nothing of the lumber industry and would have difficulty in obtaining employment in the woods.

I requested the military department to appoint supervisors to train these young men in the cutting and peeling of pulpwood and the cutting of long lumber while they are preparing the military range. This the department has promised to undertake."

This must be a misquotation because I cannot understand the premier or anyone else in New Brunswick asking the Department of National Defence to train young men for the peeling of pulpwood and other lumbering

operations. The main problem which we have to face in that part of the country is the giving of employment to men who have spent their lives in lumbering operations. If such representations have been made to the government, I would ask the minister to consult with the representatives from that province who sit to the right of the Speaker before undertaking the expenditure of money to train young men for the peeling of pulpwood and the cutting of lumber. The unemployment problem is acute in New Brunswick and many men who have spent their lives in lumbering have not been able to adapt themselves to other callings. I know the minister will say that unemployment is a matter which must be treated locally, but I contend that it should be treated nationally. Some of the provinces and most of the municipalities cannot afford to spend any more money to take care of their unemployed. Their credit has been exhausted and thus this matter becomes a national problem and should be viewed in that light. Instead of training young men to peel pulpwood and cut lumber they should be trained along other lines. As long as they remain in lumbering operations they will always be on the unemployed list and will have to be taken care of by the public. Instead of spending money in this way, it should be spent to help these young men establish themselves on the land. If there is to be cooperation between the dominion and the government of New Brunswick, the provincial government could well afford to supply the land while the dominion government could undertake to provide for the erection of houses and barns and the providing of the necessary agricultural machinery. If this were done within two or three years these men would become taxpayers. They would be able to support not only themselves but their families and would no longer be a charge upon the community. Unless some plan of this kind is adopted the unemployment problem will not be solved, and I do not think that the solution will be found in any amount of money that may be spent for temporary work such as road building, road repairs, training men in camps, building military ranges, peeling pulpwood, sawing lumber, and so on. That is not the solution of the problem, and I submit to the Minister of Labour that in some of the conferences which he may have in the future with representatives of the provinces he should advance the proposition of trying to solve the problem permanently by means of proposals which I am sure his supporters in this house will strongly approve, and which I have no doubt would bring an end to the situation which is acute and which cannot be in any way remedied by the methods now being followed.

Mr. YOUNG: I notice in the statement of disbursements in connection with relief legislation the sum of $10,663,000 for the Saskatchewan relief commission. Is this all the money that the Saskatchewan relief commission spent?

Mr. GORDON: In 1931 the Saskatchewan relief commission received $5,372,971.30; under the 1932 legislation, $4,459,919.11; under the 1933 legislation, $830,269.16, making a total of $10,663,159.57.

Mr. YOUNG: On the next page we find a summary of loans and advances outstanding, including the Saskatchewan relief commission, $22,579,078.16. Does that $22,000,000 owing to the government by the commission include the $10,663,000 odd?

Mr. GORDON: As well as the $10,000,000 which represented moneys disbursed by the Saskatchewan commission, loans were made to the province and to the relief commission. I have not before me the details showing how it is divided, but before this measure goes through I will get a detailed statement.

Mr. YOUNG: I understood, at the time the commission was set up, that the federal government would furnish all the money they spent. Here is $10,000,000 odd furnished by the federal government and spent by the commission, and we find in addition to that that they borrowed some from the government. Is that correct?

Mr. GORDON: I shall have to look into these figures to make sure that the information is correct.

Mr. YOUNG: Will the minister also look into the amount collected by the commission and ascertain how much has been returned? I understand that for the past two falls the commission has been making vigorous efforts to collect the notes they took from the farmers when they granted relief, and I should like to know how much was collected and how much was returned to the federal government. Can the minister get that?

Mr. GORDON: That was the subject of quite a long discussion this afternoon when the hon. member was not in his place, and the amount is on Hansard. In round figures, the notes amounted to slightly over $200,000 and the amounts refunded amount to slightly over $8,000.

Mr. YOUNG: The minister means that the amount collected was slightly over $200,000.

Mr. GORDON: No, the amount of the notes.

Mr. YOUNG: Oh, it was more than that. They took notes for all they granted. The first year they operated they took notes in advance for everything. The notes were signed in blank when they made application for relief and covered everything they were to get.

Mr. GORDON: I shall have to go into the figures. I took the figures from what was read out of the auditor general's statement by an hon. member who was discussing it at the time. However, I shall look into it and get a statement.

Mr. GRAY: The minister has said on different occasions, certainly when speaking in the house on Wednesday, March 8, and again this evening, that this bill No. 42 omits the provision contained in the 1933 act with respect generally to the right to loan or advance or guarantee the payment of money by any public or corporate body. In the last few weeks we have had specific reference to the advance guaranteed to the Canadian Pacific of the sum of $60,000,000. I take issue with the minister on the question whether or not this bill does in fact ensure the limitation which he has told us it provides, and I would ask him to consider seriously making a positive statement to the house on the question. We should like to know definitely whether or not such power will be exercised. Section 2 begins:

> Notwithstanding the provisions of any statute or law the governor in council may . . .

I understand that the Prime Minister's amendment reads "in addition to." Quite frankly, I think that if anything he has added to rather than taken from the powers sought, though I doubt that it makes any great difference whether he says "notwithstanding" or "in addition to." But whether we read it "notwithstanding" or "in addition to," the section will read, in subsection (b):

> When parliament is not in session, to take all such measures as in his discretion may be deemed necessary or advisable to maintain, within the competence of parliament, peace, order and good government throughout Canada; and at all times to take all such measures as in his discretion may be deemed necessary or advisable to protect and maintain the credit and financial position of the dominion or any province thereof.

In the discussions which have taken place in connection with the advance or guarantee made to the Canadian Pacific Railway of some $60,000,000, we have been led to believe that that advance or guarantee was made for the specific purpose of maintaining the credit of the Dominion of Canada. I submit to the minister that under Bill No. 42 as at present drafted, the government still has that power and that unless we have from the minister, as a representative of the government, an assurance that such power will not be exercised, they can still proceed to make such guarantees as they have in the past and at the next session of parliament come before the house and state that they were made in order to preserve the credit and integrity of the dominion or of some province. The minister, not internationally but by his repeated assertions that this clause has been amended, has permitted an erroneous impression to go throughout Canada that the government can no longer make those guarantees. I submit with great respect both to the minister and to the Prime Minister, who has made a similar statement, that the government still have that power if they wish to exercise it.

Mr. DENIS (Translation): I wonder whether, according to the provisions of this section, the government is really in earnest when it requests parliament to sanction the expenditure of unlimited amounts for a purely political purpose.

Hon. members opposite have stated and repeated that we were on the road to prosperity. Last year, a fixed amount was voted to relieve unemployment, while, to-day, the house is requested to sanction an unlimited amount. On the eve of a general election, the government should be more scrupulous and not insist that it be granted such powers which would permit it to distribute political favours in any province it pleases.

According to the report submitted to the house, we find that the government has expended, this year, in Ontario, the sum of $7,753,625.54 and in Quebec, $2,524,402.98. I do not think that there are more unemployed in Ontario than in Quebec; however, the government has, perhaps, more political friends in Ontario. As to public works submitted for the approval of the dominion government, the department was rather reluctant in accepting those proposed by Quebec and it thought fit to curtail them. That is why, we, from Quebec, should feel more reluctant in accepting this section which is inserted in order to favour the government's friends and, thereby derive political advantages.

The other day, I crticized the government for not having acted in a regular way and carried out the distribution of funds more justly. I note that the government has not mended its ways for it still persists in re-

questing unrestricted powers so as to expend the relief funds rightly or wrongly.

I, therefore, am opposed to this section and I think the government should be more considerate of the rights of this house and should state the amount to be appropriated for the relief of unemployment. With what experience we have had we should drop the dole system and replace it by public works which would raise the morale of workers and, thereby, enhance the public wealth of the provinces and Canada.

The government should be more considerate of the rights and prerogatives of parliament and the constitution and should only request the house to vote definite amounts. It is no excuse, because an extraordinary crisis prevails, to set aside parliamentary rights. I strongly resent these unconstitutional methods and request the government to be respectful of the rights and privileges of this house.

Mr. DUPRE (Translation): As in British Columbia!

Mr. DENIS (Translation): I am not concerned with other provinces. sir; however, I think that the government have been too lavish, and have not been sufficiently sparing in their political favours; they have not lived up to their obligations nor have they submitted to the house the necessary measures not only to carry out the pledges made by them, in 1930, but also to acquit themselves as Canadian citizens should. The time has arrived for the government to display some human feelings, to carry out its duty and consider the hardships from which we suffer, moreover, to find a remedy.

I shall not further insist. The government must bring down a measure to solve the problems of this crisis. During the 1930 election, members opposite insisted that the solution of the crisis fell to the lot of the Dominion government rather than that of the provinces. To-day, with amazing boldness, they deny all their statements made during the 1930 election. To excuse themselves, they contend that the crisis is world wide and simply ask the people to trust the government, an incompetent and inert administration—

Mr. CASGRAIN (Translation): They should be ashamed of themselves.

Mr. DENIS (Translation): —which appropriates only a few million dollars to relieve unemployment, while setting aside in the estimates, an equal amount for public works. It is high time for the government to show that they are well disposed towards the people, the workmen and the poor. It is high time, I state, to check this revolutionary spirit which has begun to show itself. According to hon. members opposite, this section is unnecessary, however, since they wish to have it passed, it simply proves their lack of sincerity.

Mr. CASGRAIN: Mr. Chairman, I think I can agree with most of the remarks made by the hon. member for St. Denis (Mr. Denis). He is right in recalling the promises made by the government a few years ago, and more especially in 1930 when this government was supposed to settle all the ills and troubles and problems of the country, to give to the workingmen six days' work a week and to the farmers large profits for the things they produce on their farms. We now have to consider this bill, which is to reenact legislation put before the house by this government in the years 1932, 1933 and 1934. When we look at the results that have been achieved under this measure we really do not think that the government has any reason to be proud of them. There is still unemployment in all parts of this country; in the province of Quebec from which I come, in Ontario, in the western provinces and in the maritimes. We are told to-day that this legislation is absolutely necessary, that it was necessary before the month of April—and we were taken to task by the government because this legislation was not renewed before the first of April. The legislation was not renewed, and up to the present time we do not find that things are going so badly as we were told they would. We have before us the consequences of the operation of this act, resulting in an expenditure of $110,198,272. I started to scrutinize the expenditure item by item and asked the government for some explanation, but although these figures have been placed on the table of the house for the attention and consideration of the members, when we asked the minister this evening for certain explanations with reference to large amounts such as the one I started to discuss concerning the Department of the Interior, amounting to over $2,000,000, it appears that there are yet some figures not within the minister's reach. I do not want to be unfair to him; he is not now in his seat—it may be that he has gone to look for some of the information that has been asked by hon. members on this side. The reason this bill is put before the house at this time is that the government wants to have another chance to settle the problems which it undertook to settle in 1930. For this purpose the government comes to us and asks us to renew legislation which we have been enacting for the last three years, to give them blanc seing, a blank cheque as it was called when this legislation was intro-

duced, permitting the government to do all that it thinks best in the interests of the community in order to relieve unemployment throughout the country. I for one think that in view of what the government has achieved in past years under this legislation they should not be entrusted with this blank cheque. We criticized this legislation when it was first introduced, and we oppose it now for the reasons which have been pointed out by my hon. leader and other members of this party including the hon. member for Ontario (Mr. Moore) who spoke this evening. We hear from people all over the land who speak on behalf of the government that things are going a little bit better. One thing the people need to-day is confidence, and I think this is reactionary legislation the effect of which is to weaken confidence, at a time when the government should be doing everything it can to encourage people to start works that may give more employment and more bread and butter to the population. This afternoon in the banking and commerce committee a most important witness, Mr. Jackson Dodds, said that more trade is the cure for our ills and problems. This government may bring in all kinds of legislation, but they will not be able to achieve their end and settle the problems of this country and bring back prosperity as long as these provisions remain on the statute book.

I have some further remarks to make, but I think some other hon. members want to take part in the discussion.

Mr. GORDON: Mr. Chairman, a while ago the hon. member for Charlevoix-Saguenay (Mr. Casgrain) asked for figures concerning the Yukon. The amount in the estimates for this year is $102,000. In former years the amounts for similar purposes were as follows:

1929-30	$217,700
1930-31	225,500
1931-32	185,500
1932-33	162,500
1933-34	115,000

So hon. members will see that the estimates for the Yukon have been reduced from $225,500 in 1930-31 to $102,000 this year. With respect to the sums that were allotted in connection with relief I am told, although I am not acquainted with that locality, that there was a great deal of distress among the elderly prospectors and the Indians. The money was devoted partly to direct relief and partly to relief by way of work on roads, bridges and so on. In the county of Charlevoix-Saguenay last year the Dominion government, having had representations made to it that people needed relief, approved of thirty-five schedules covering works aggregating some $207,800.

The CHAIRMAN (Mr. Gobeil): Shall the amendment moved by the right hon. leader of the opposition carry?

Mr. GORDON: With respect to the question raised by the hon. member for West Lambton (Mr. Gray) of course I cannot agree that this legislation does not take away from the government rights which they had under the legislation of last year. If one examines section 2 (a) it will be seen that it gives the governor in council power, upon such terms and conditions as may be agreed upon, to enter into agreements with any of the provinces respecting relief measures therein and to grant assistance to any province by way of loan, advance, guarantee or otherwise. If reference is made to the legislation of last year hon. members will see that these words followed:

—loan, or advance money, or guarantee the payment of money by any public body, corporation or undertaking.

Those words are deleted from the legislation of this year, and in my opinion the language of the section that follows is not broad enough to permit, and I think is not capable of any interpretation that would permit, the governor in council to make such guarantees to public bodies or corporations. As the Prime Minister has said, the words "peace, order and good government" have been interpreted on a number of occasions down through the years by the judicial committee of the privy council, and with the deletion of the specific words to which I have made reference my opinion is that the remainder of the section would not invest the governor in council with the right to make guarantees to public bodies and corporations.

Mr. GRAY: I do not like to interrupt the minister, but will he make special reference to the sentence on page 2 of the bill beginning with the words "and at all times."

Mr. GORDON: That is section 2, subsection (b); the sentence reads:

—and at all times to take all such measures as in his discretion may be deemed necessary or advisable to protect and maintain the credit and financial position of the dominion or any province thereof.

I am not at all prepared to agree that this section is capable of any interpretation that would invest the governor in council with authority to guarantee public bodies, corporations, and so on, as was done under the legislation of last year.

Progress reported.

BIRTHDAY GREETINGS

FELICITATIONS EXTENDED TO MR. SPEAKER AND THE SERGEANT AT ARMS

Mr. ECCLES J. GOTT (South Essex): Mr. Speaker, before the hands of the clock reach eleven, and the labours of the day having been concluded, with the unamious consent of the house may I be permitted on behalf of the members in this section of the chamber, and I hope on behalf of all members of the House of Commons, to extend to you and the members of your family on this, your natal day, our hearty greetings and best wishes.

Some hon. MEMBERS: Hear, hear.

Mr. GOTT: We realize, sir, that for some time your health has been impaired, which has made the dispatch of your duties the more arduous and strenuous. With our congratulations we couple our fondest hopes that you may experience a steady, speedy and complete return to your former health and vigour, which permitted you to serve your country both at home and abroad with credit to yourself and honour to all who possess the privilege of your acquaintance and friendship.

May we ask you, sir, to convey to the Sergeant at Arms, Major M. F. Gregg, V.C., our felicitations and congratulations also, since I learned that to-day is the anniversary of his birth as well.

Some hon. MEMBERS: Hear, hear.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Wednesday, April 11, 1934

The house met at three o'clock.

PETITION

On the orders of the day:

Mr. OSCAR L. BOULANGER (Bellechasse) (Translation): Mr. Speaker, I beg to lay on the table of the house a petition from the municipal council of St. Vallier, county of Bellechasse, requesting that no tax be levied on leaf tobacco.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

CHALK RIVER, ONT., FORESTRY STATION

Mr. COTNAM:

1. What was the cost of operations at the forestry station at Chalk River, Ontario, during the years 1930, 1931, 1932 and 1933, respectively?

2. How much was expended for material and equipment, and how much for salaries and wages?

Mr. MURPHY:

1.

1929-30	$ 33,134 42
1930-31	32,469 53
1931-32	24,143 68
1932-33	21,365 29

2.

	Materials, supplies equipment, etc.	Salaries and wages
1929-30	$ 16,629 94	$ 16,504 48
1930-31	13,628 59	18,840 94
1931-32	6,381 47	17,762 21
1932-33	5,733 64	15,631 65

GOLDEN LAKE, ONT., INDIAN RESERVE CONTRIBUTIONS

Mr. COTNAM:

How much was contributed by the federal government to the Golden Lake Indian reserve during the years 1930, 1931, 1932 and 1933, respectively?

Mr. MURPHY:

1929-30	$ 9,484 87
1930-31	12,986 01
1931-32	14,174 49
1932-33	10,567 90
1933-34—March 27	9,828 08

FLOUR DELIVERIES TO INDIAN AGENCIES

Mr. VALLANCE:

1. Were tenders called within the last nine months for the delivery of flour to the Indian agencies at Battleford, Leask, and Lloydminster, in the province of Saskatchewan?

2. If so, what tenders were submitted and at what prices?

3. Who were the successful tenderers?

Mr. MURPHY:

1. Yes.

2. Tenders submitted October, 1933, as follows:

	Battleford	Leask	Lloydminster
Bishop Milling Co., Battleford	$1 95	$2 21	$2 25
Radisson Milling Co., Radisson	1 70	1 80	1 85
Prince Albert Milling Co.	No quo.	1 90	No quo.
Quaker Oats Co., Saskatoon	1 75	1 85	1 75
Robin Hood Mills Ltd., Montreal	1 62½	1 62½	1 70
Lake of the Woods Milling Co., Winnipeg	1 90	1 90	1 90
Western Canada Flour Mills, Winnipeg	1 95	2 25	1 95
Ogilvie Flour Mills Ltd., Winnipeg	1 85	2 15	1 80
Maple Leaf Milling Co., Winnipeg	1 80	1 95	1 95

Tenders submitted February, 1934, as follows:

	Battleford	Leask	Lloydminster
Robin Hood Mills Ltd., Montreal	1 57½	1 53	1 54½
Quaker Oats Co., Saskatoon	1 60	1 61	1 62
McCarthy Milling Co., Regina	No quo.	No quo.	1 99
Radisson Milling Co., Radisson	1 62½	1 70	1 67½
Bishop Milling Co., Battleford	1 80	1 95	1 95
Western Canada Flour Mills, Winnipeg	1 80	1 80	1 80
Jas. Hawson Milling Co., Lloydminster	No quo.	No quo.	2 10
Lake of the Woods Milling Co., Winnipeg	1 87½	1 87½	1 87½
Ogilvie Flour Mills, Winnipeg	1 75	1 90	1 75
Maple Leaf Milling Co., Winnipeg	1 85	1 97½	1 82½

3. The Robin Hood Mills Ltd., Montreal, for October and February.

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF PENSIONS, OFFICIALS IN RECEIPT OF PENSIONS

Mr. MITCHELL:

1. What officials in the headquarters and in the unit staffs of the Department of Pensions and National Health are in receipt of pension at the present time?
2. What is the amount of pension in each case?

BURLINGTON CHANNEL BRIDGE EMPLOYEES

Mr. WILSON:

1. What are the names and addresses of men employed on the Burlington channel bridge?
2. What hours do they work and what wages do they receive?
3. Is the eight-hour day in force on this bridge?
4. What wages are paid for similar work on the Welland canal bridges?
5. Is the eight-hour day in effect on the Welland canal bridges?
6. Are the applicants for positions examined by employees of the public works department or by the civil service commission?

PINK SALMON CATCH

Mr. REID:

1. How many pink salmon were caught in district No. 1, British Columbia, after September 16, 1933: (a) by gill nets; (b) by seines?
2. What was the total number of cases of pink salmon canned after September 16, 1933, from fish caught in district No. 1, British Columbia, and (a) how many of these have been inspected; (b) how many were classed as second quality; (c) how many were classified as inferior to second quality?
3. What was the total number of pink salmon exported to the United States from the said district No. 1, during the season of 1933, and on what dates were such shipments made?

MOTIONS FOR PAPERS

ST. JOSEPH DE LEVIS, QUE., MAIL SERVICE

Mr. BOULANGER:

For a copy of all records and documents, including petitions, requests, recommendations, tenders, counter-petitions and protests, with respect to the establishment of a rural mail service at Lauzon, Saint-Joseph de Levis, Harlaka, and Beaumont, with the branch post office of Saint-Joseph de Levis as a starting point, and with respect to the closing of the post office at Beaumont.

Mr. BENNETT: There are no dates mentioned in this motion and perhaps the hon. gentleman could indicate the period.

Mr. BOULANGER: The Postmaster General (Mr. Sauvé) is aware of the service about which I am asking information.

Motion agreed to.

CHILD WELFARE WORK

Mr. SPENCER:

For a copy of all correspondence, telegrams and other documents, exchanged between any person or persons and the Department of National Health or any other department of the government, relating to the division of child welfare work, and also a copy of all correspondence exchanged between the different departments of the government respecting the same question.

Mr. BENNETT: If the hon. gentleman will agree to strike out all the words after the word "work" in the fourth line, the motion will be quite satisfactory. It has not been the practice to produce inter-departmental communications as they are usually of a personal character between the ministers and their officials.

Motion as amended agreed to.

SUPPLIES TO UNEMPLOYMENT CAMP AT SPENCE'S BRIDGE

Mr. FRASER (Cariboo):

For a copy of all invoices of meats and packing house products, supplied by the contractor to the unemployment headquarters camp at Spence's Bridge, British Columbia, between September 1, 1933, and December 1, 1933.

Mr. BENNETT: The same rule prevails with respect to this motion as has prevailed with respect to similar motions; these documents will be produced to the extent to which the department is able to secure them.

Motion agreed to.

CANADA, 1934

On the orders of the day:

Mr. E. J. YOUNG (Weyburn): Mr. Speaker, some time ago I placed a question on the order paper with regard to the number of copies of "Canada, 1934" which had been printed. I have received two answers to this question. One is from the Department of Trade and Commerce to the effect that 13,000 copies in English and 4,500 copies in French had been printed, a total of 17,500 copies. Another return was made by the King's Printer to the effect that there were 2,300 copies in English and 60 copies in French, a total of 2,360 copies. Could the minister explain the discrepancy in these figures?

Hon. H. H. STEVENS (Minister of Trade and Commerce): I cannot give an explanation offhand but I shall make inquiries and let my hon. friend know.

TREATY WITH POLAND

On the orders of the day:

Mr. A. E. MacLEAN (Prince): Mr. Speaker, I have received a communication which indicates that a treaty may be entered into with Poland. If this is a fact, the fur shippers would like to make certain representations in this connection.

Hon. H. H. STEVENS (Minister of Trade and Commerce): Obviously I could not give any information in this form but the remarks of my hon. friend will be noted. When it is proper to make a statement on the matter, one will be made. If my hon. friend has any representations which he would like to make we shall be very pleased to receive them.

UNEMPLOYMENT AND FARM RELIEF

BILL IN TERMS GENERALLY OF RELIEF ACT, 1933, WITH PROVISION RESPECTING DELAYED RELIEF ACCOUNTS

The house resumed from Tuesday, April 10, consideration in committee of Bill No. 42, respecting relief measures—Mr. Gordon—Mr. Gobeil in the chair.

Mr. GRAY: When the house adjourned last evening the Minister of Labour (Mr. Gordon) was answering an argument which had been raised earlier in the evening. The suggestion had been made that certain words which appeared in the 1933 act had been omitted from the 1934 bill, namely:

> Notwithstanding the provisions of any statute or law the governor in council may,—
> (a)—loan or advance money to or guarantee the payment of money by any public body, corporation or undertaking;

Section 2, subsection (v) of the present bill reads:

> Notwithstanding the provisions of any statute or law the governor in council may,—
> (b) When parliament is not in session, to take all such measures as in his discretion may be deemed necessary or advisable to maintain, within the competence of parliament, peace, order and good government throughout Canada;

Then I would emphasize these particular words:

> —and at all times to take all such measures as in his discretion may be deemed necessary or advisable to protect and maintain the credit and financial position of the dominion or any province thereof.

I submit that these words, broad in their meaning, can give to the governor in council the power to guarantee payments in the same way as the guarantee was given to the Canadian Pacific Railway last year, and as evidence of that I suggest that we should look at the order in council, prepared by the Prime Minister himself, granting the guarantee to the Canadian Pacific. First I would ask hon. members to observe the wording of clause (b) of section 2, especially the words I have just quoted, and compare them with the language of clause 9 of the order in council as drafted by the Prime Minister, reading as follows:

> That the said railway company is a public corporation carrying on its operations not only in Canada but in other parts of the world; and, in the opinion of the ministers, under present disturbed economic conditions, it is desirable to prevent default by the said railway company in discharging its said capital obligations and indebtedness as they mature, and in the public interest, to grant the request of the said railway company as a measure for the protection and maintenance of the credit and financial position of Canada.

I ask the committee to note the similarity between the wording of clause (b) of the present section we are considering and the basis of the guarantee as drafted in the order in council. The Prime Minister repeated, in his evidence before the banking and commerce committee, that he gave the guarantee because he believed it to be in the national interest, and he said further, "What I then did I would do to-morrow." I submit that under this section as we now have it he could

do the very thing he did in granting the guarantee to the Canadian Pacific Railway. He said further that there cannot be any opinion as to an act of parliament.

Mr. BENNETT: What is that?

Mr. GRAY: I will read the whole thing:

Q. We want the facts.
A. The facts are on the record.
Q. No, there are some facts that are only matters of both opinion and of verbal conversation.
A. There cannot be any opinion as to an act of parliament.

Mr. BENNETT: Hear, hear.

Mr. GRAY: I submit that, learned in the law as he is, he must know that the whole legal profession makes a large part of its living by interpreting acts of parliament. I suggest to him that there may be a difference of opinion as to what he may consider the effect of this measure we are now asked to pass upon, namely, bill 42, because if he is correctly reported he evidently believes there can be no opinion as to this act. In order that there may not be any doubt as to the powers that are being granted under this section, and in view of the promises which have been made, I beg to move, seconded by Mr. Hanbury:

That section 2 of the said bill be amended by adding thereto, as clause (c), the following words:

(c) "Nothing in this section shall be deemed to authorize the governor in council to loan, or advance money to, or guarantee the payment of money by any public body, corporation or undertaking."

Mr. BENNETT: It will be necessary, before taking up this proposed amendment, first to dispose of the amendment submitted by the leader of the opposition.

Mr. CASGRAIN: Last night I submitted certain questions to the Minister of Labour who is in charge of this bill. He is not here to-day, but possibly I may get the information.

Mr. BENNETT: The Minister of Labour is detained in his house on the advice of his physician and I am endeavouring to take his place. If it was asserted, as apparently it was, that he was staying away to avoid giving the information—because that is the inference from the hon. member's statement—

Mr. CASGRAIN: I did not mean that. I was asking him questions last night and as he is not here to-day I will proceed with the questions. In the statement supplied to members regarding this legislation we have under the heading, Recapitulation of Dominion Disbursements, and under the Department of Agriculture, an amount in 1931 of $6,999.79 and in 1932, $3,000. What are these amounts? Were they special grants given for special purposes, and in what proportion were they allotted?

Mr. BENNETT: While the information is being looked up I may say, speaking from memory, that the money was for the purpose of fitting up ships with deck accommodation to carry cattle across the ocean. It was a contribution towards that.

Mr. CASGRAIN: I see on this same sheet of paper an item with regard to the agricultural stabilization fund, under the act of 1933, an amount of $35,145.71. I should like to have an explanation of these various amounts. Last year in the debate on the budget we heard a good deal about this famous stabilization legislation which was to help the farmers and other exporters of products of the land. Was this money paid in virtue of the act passed last year, and how much was given to each province?

Mr. BENNETT: The hon. member's anxiety to prolong the debate is certainly very ingenious. This question has already been asked in the house by way of application for a return. At the last session of parliament the government undertook to stabilize the pound at $4.60. It was then intimated that the pound might probably go beyond that value and therefore the sum payable under this stabilization provision would be very small. As a matter of fact the pound very shortly after began to move up and the sum total paid under the provision was $35,145.71. I stated in my place last year that this would be charged against the relief appropriation for the year, and that was done. I am very happy to think that the movement upward of the pound obviated the necessity of a larger sum being paid.

Mr. CASGRAIN: How were these amounts paid? Were they paid to the exporters, and what are the names of the persons who received the benefit?

Mr. BENNETT: The return will gratify the hon. gentleman's very laudable curiosity in that regard. They were not paid to the provinces but to the persons who made the exports under the terms fixed by the regulations, which were published and indicated to the house.

Mr. FACTOR: In the statement of disbursements there were two items in the 1930 and 1931 acts of $500,000 each on account of the board of railway commissioners. I pre-

sume those were the amounts granted to the board for the elimination of grade crossings. Why have those grants not been continued for 1934?

Mr. BENNETT: Those items refer to something that should not now be discussed before the committee. We are at present dealing with 1934 legislation. The 1930 legislation and the disbursements under it were discussed in 1931, and just why the time of parliament should now be taken up except for an obvious purpose for discussing the expenditure in 1930 is something I am sure the hon. member will be able to answer to his constituents. The appropriation was made in 1930 to the grade crossing fund and the next year a similar sum was appropriated. Those who are familiar with the operation of that fund will realize that there is still a deficiency in it; in fact it would require a very substantial sum of money to make good the amount needed to meet the demands upon the fund under legislation passed by parliament in previous years. There are pending before the board of railway commissioners applications for a very large number of grade crossings. I thought my memory was good enough to state the number, but I cannot do so at the moment. It is not improbable that something will have to be done to add to that fund this year. For instance, in Hamilton just before the advent to power of this government, certain recommendations with respect to level crossings were made and later the then Minister of Labour, the late Senator Robertson, after conferences with the city and the railway authorities, undertook that certain grade crossings would be assisted, and they have been completed, but the money that is payable to the city and the railway company under the provisions of the agreement has not yet been paid. This matter covered some of the payments that were made under the direction of the board of railway commissioners.

Mr. BROWN: There is a matter that I would like to draw to the attention of the government and that I hope will receive consideration when funds being provided by this legislation are being disbursed. I have already on more than one occasion indicated the situation that prevails in one part of my constituency and extending also into that of the hon. member for Souris. I would likewise like to direct attention to a resolution that came into my hands this morning and that was passed at a meeting of the reeves of four municipalities, as follows:

At a meeting of the reeves of the municipalities of Pembina, Louise, Roblin and Turtle Mountain, held at Killarney on the 6th day of April, 1934, it was resolved that we hereby request the government of the province of Manitoba to petition the federal government to give the same consideration to these municipalities in regard to the payment of freight charges on feed, fodder and seed as that given to the area known as Manitoba drought area "A" as given by privy council order No. 2384.

I would like to say a word in regard to this particular area. Those who are familiar with the situation will know that in the extreme southwestern part of Manitoba there is a large area that has suffered very severely from drought. The area of which I speak is not nearly so extensive but at the same time it is one that has suffered severely and from neither the provincial nor the federal government has assistance come to which I think that particular section is entitled. Because the area is somewhat smaller it was excluded from the arrangements that were made between the two governments in regard to the extreme southwest of the province. But this area of which I speak suffered very severely, not only last year but for two or three preceding years. As regards one part of this area, perhaps the Prime Minister will remember that I called it to his attention a year or two ago when I requested that the customs charges on the importation of feed should be reduced.

Mr. BENNETT: Potatoes first.

Mr. BROWN: No, I did not get consideration as regards potatoes.

Mr. BENNETT: No, but I say that attention was directed to potatoes.

Mr. BROWN: Yes, but that is another case. I dealt with feed in a preceding session and I may say that the same area received consideration from the previous government. The Prime Minister has referred to potatoes. I think his party friends in that particular section of the country would like to forget about potatoes because, now that the matter has been mentioned, I may say that it was one of the grossest failures on the part of the present government to give relief that would have cost nothing. I shall, however, not discuss that question at the moment.

The district to which I referred is a section of country included in the area represented by these reeves that for two years, one under the preceding government and one under this government, received aid through the foregoing of the customs duties. This area, not only the Pembina district, but further west, Louise, Robin, Argyle, has suffered very severely. I had occasion to call attention to that fact twice when I mentioned the great disaster that overtook them because of the mortality among their horses. I

think I mentioned that sixty-nine, as I am credibly informed, had died in one township. All that this resolution asks is that consideration should be given to the question of freight charges which were reduced to the benefit of the area further west. In the letter accompanying the resolution the writer indicates that they have the assurance that the provincial government will make such an application. I would like to have an assurance that if the provincial government makes that application, the federal government will deal with it in the same way as it dealt with what is referred to as drought area "A" in southwestern Manitoba. Last fall I took pains to drive through all this district and I found conditions there deplorable indeed, and if there is any section of the country that is entitled to whatever assistance can be given by either this or the provincial government, I shall be only too happy to press its case with all the vigour I can.

Mr. BENNETT: The hon. member for Lisgar is of course aware of the fact that each succeeding year representatives of the provincial authorities have presented to the federal government claims for consideration, and those have been sometimes for the payment of freight, of feed, sometimes to move cattle from one area to another, sometimes to pay freight charges for the transport of household effects and the family itself from the south to the north; but in every case it has been a matter of discussion and consideration between the federal and provincial authorities. As the matter stands now, until this legislation is enacted no agreements of any kind can be made between the provinces and the dominion. Several matters such as that to which the hon. member refers are being pressed upon the minister from Saskatchewan and one or two from Alberta. What the hon. member has said with respect to the southwestern section of Manitoba is known to the government, not only by reason of the representations made in the house by himself and others, but also by reason of the fact that the department's communications with the provincial government have pointed out the crop failures in that particular section, which in a previous year, but not last year, if my memory serves me aright, extended, as the hon. gentleman knows, far into Saskatchewan. Last year I think there was a crop in the Saskatchewan area, but not in that area in Manitoba, to which he refers. All these matters, I assure the hon. gentleman, will receive the most careful consideration of the minister and the government if they have any authority to deal with them. Until this statute passes they have no such authority, either to grant assistance or to refuse; they can merely advise, as I have been doing, that until the legislation is enacted they have no power to enter into any agreement.

[Mr. Brown.]

Mr. YOUNG: Last night when the Minister of Labour was in his seat I asked him a couple of questions which he was unable to answer but said he would get the information. One was in relation to the $22,579,000 loaned to Saskatchewan, part of it to the Saskatchewan relief commission. The minister was going to find how much of it was loaned to the commission and for what purpose.

Mr. BENNETT: It was not loaned to the commission. The loans were made to the province of Saskatchewan. That item includes the expenditures made by the relief commission and the moneys loaned to the province on its treasury bills. The division is as follows:

Province..	$13,987,119 84
Relief commission..	8,591,958 32
	$22,579,078 16

Mr. YOUNG: On the previous page it states that the money spent by the commissioners, was $10,752,533. Is that in addition to this $8,591,000?

Mr. BENNETT: No, there is no relation between the two items. The first item to which attention was directed is the money expended after July, 1931, when I brought to the attention of the house the shocking condition of devastation that existed in that area, which I ventured to suggest as a national calamity called for national effort. The expenditure I have just read is the expenditure made by that commission to take care of a burden that the dominion assumed in its entirety.

Mr. YOUNG: But there was no commission in 1931, it was not set up until the fall of that year.

Mr. BENNETT: Oh yes, we set up a commission to take care of that situation. But the commission that was set up later took care of the administration of the matter from the standpoint of the province as well. The hon. gentleman will recall the circumstances. The commission dealt with relief in its entirety, during the winter succeeding the July in which I made the statement. I have told the hon. gentleman more than once that at one time there were over 300,000 men,

women and children receiving relief in that area, an almost incredibly large number of people to be receiving relief in that particular area. The hon. gentleman will recall further that I pointed out to him that the commission took charge of that entire matter. Then the province availed itself of the commission to discharge its obligations, the Red Cross looking after the distribution of clothing. Our advances to enable the province to function, as distinguished from loans, include that $22,000,000. I fancy the hon. gentleman has seen the orders in council, because they were tabled here during the years in which the expenditures were made.

Mr. YOUNG: What I want to get clear is whether or not all the money spent by the relief commission in area A, that is the area in which the commission took full charge of the relief, was furnished by the federal government, and if any of it is being collected from the province.

Mr. BENNETT: The sums expended under the arrangement by which the federal government assumed entire responsibility will not be collected from the province or anyone else, except to the extent to which some persons desiring to treat the moneys received as loans and not as gifts may make payments as mentioned by the hon. member for South Battleford (Mr. Vallance) yesterday. I believe some $8,000 has been received, and I stated yesterday, and I desire again to state, that no proceedings will be taken to collect any money that has thus been given. It was stated in this chamber, with the unanimous approval of the house, that this was a national calamity in regard to which the central power should assume responsibility for the entire expenditures.

The other amount consists of items that represent our proportion of expenditures under the agreements made with Saskatchewan. Do I make myself clear?

Mr. YOUNG: Then there is still another item of $6,757,904.23 for relief expended in Saskatchewan. Through what channels was that spent?

Mr. BENNETT: That stands in the same position as expenditures made through the federal government in other provinces. That share of our expenditure is not recoverable.

In view of what the hon. gentleman has said, I think, he does not quite follow the matter in its entirety. I shall endeavour to make it clear. First, as to the expenditure made by the federal government, that was solely federal expenditure. That applied to the province of Saskatchewan only because of the devastation that drought and other natural causes had effected in what was a populous and rich area, but in which there had been a crop failure for three successive years, and subsequently, I believe it is fair to say, in a considerable portion for a fourth consecutive year. We discharge the whole obligation for relief in that area, under circumstances known I am sure to the hon. member for Weyburn. Secondly, there is the relief granted by the Dominion of Canada in accordance with the agreement made with the provinces, including Saskatchewan, the federal share of which is indicated in the returns that have been filed. Thirdly, there are loans made to the province of Saskatchewan as stated in the returns: (a) for the purpose of enabling them to carry on their relief operations; (b) for the purpose of enabling them to make grants to municipalities which otherwise are unable to pay their obligations, and (c) for the purpose of enabling them to discharge their functions as a government with respect to interest on their obligations, with respect to maturities which had to be met, and with respect to other provincial expenditures, including seed grain, which was one of the purposes for which advances were made by the federal government. Have I made it clear to the hon. gentleman?

Mr. YOUNG: Yes, I thank the Prime Minister. There was another question last night that I directed to the Minister of Labour in regard to the notes taken and amounts collected on those notes by the relief commission. He stated that the total of the notes was something over $200,000 and the amounts collected $8,000. I said I did not think those figures could be correct. I find on looking up the report of the auditor general that these figures apply only to the unorganized area and not to the eighty-odd municipalities under relief.

Mr. BENNETT: The deputy informs me he sent a telegram for the purpose of verifying the information concerning that and has not received a reply. But the face total of the notes I would think is larger than $272,000.

Mr. YOUNG: Immensely larger.

Mr. BENNETT: From what I know of the notes given by those who accepted relief in this area I think the sum is much larger than that. That is just my memory. The repayments as indicated here are something like $8,000 I think.

Mr. YOUNG: No, repayments only from the unorganized territory, not in the whole area of the dried out district.

Mr. BENNETT: They have telegraphed for that figure. The repayments of which there is record, as disclosed here amount to $8,000. The other figure will be given as soon as received; it is not available at the moment.

Mr. BOTHWELL: I think possibly the misunderstanding arose yesterday through the fact that in the auditor general's report the only reference we can find to lien notes is in connection with the unorganized territory. In his report he shows immense sums charged to recipients, but makes no reference to the fact that lien notes have been taken. The figures we were dealing with yesterday we find apply only to unorganized territory, and refer to the lien notes taken from recipients in that area.

Mr. BENNETT: The hon. member for Swift Current, if I may say so without being offensive, is perhaps confusing two matters. Lien notes were given with respect to feed and seed and that sort of thing; ordinary notes such as were mentioned by the hon. gentleman himself yesterday were given for general relief. They could not be lien notes under any circumstances, because the food and things of that kind had disappeared. With respect to seed and that sort of thing these lien notes were given, but that was a provincial matter. I should like to clarify that, because the hon. member for South Battleford dealt with it yesterday. A number of people receiving direct relief from the dominion, when it assumed complete responsibility for relief, gave notes to the commission for the crown in the right of the dominion; that is the first point. Those were not lien notes; they were just ordinary notes similar to the note that was read yesterday, under which they undertook to repay.

Mr. MACKENZIE (Vancouver): Promissory notes.

Mr. BENNETT: Yes, ordinary promissory notes. In the next place, some of those people have made payments, which have gone into the consolidated fund. In some of the other provinces small sums have been refunded as well. I think I gave the committee an illustration last year of an old lady who sent in a very small sum of money because she desired to treat the assistance received as an advance and not as a gift. I think I mentioned that last year, but the amount so refunded is so insignificant as to be not worthy of mention in connection with a matter of this kind.

I think I should go a step further and say that the notes for hay, feed and seed were of a special character which the provincial legislation dealt with in a definite and specific manner. Under those notes—and I think it will be recalled that some hon. gentlemen directed attention to this fact last year—they took possession of the crop before anyone else could get it. I think some hon. gentlemen opposite directed attention to that fact. That was under the provisions of a provincial statute which dealt with the matter of advances for the purposes indicated, with respect to which the dominion has nothing to do.

Mr. GERSHAW: Mention of the Saskatchewan relief commission brings up a problem which has been very widely discussed in the eastern portion of Alberta, where the people feel they have a very great grievance. As the Prime Minister knows, the constituency of Medicine Hat runs adjacent to the Saskatchewan boundary for two hundred miles. To the east of the boundary relief is administered by a commission, who send men to the various districts and who seem to hand out relief in a sympathetic and almost a generous manner. This is done, of course, because the people in that section have suffered four successive crop failures largely due to the dry winds and drought. But these dry winds do not stop at the interprovincial boundary line; year after year they have also destroyed the crops on the Alberta side of the boundary. In Alberta relief is administered in a very different way. People found that not only were their crops destroyed but their garden crops were failures as well. Some of those who had trucks went to the neighbouring irrigation districts and brought back large loads of fresh vegetables which they distributed free of charge to the people. People in other provinces also generously supplied fresh vegetables to these districts free of cost, and that was greatly appreciated. The people in those districts, however, find difficulty in getting ordinary relief. In that whole strip of country, which is thirty miles wide, there are only two police officers. The people do not have automobiles; they must walk or drive their horses twelve or fifteen miles to find a police officer, and often when they get there he is not at home. Then the officer has to go back with them and investigate the case, and sometimes these officers are hard boiled. If they see chickens or cattle on the farm they feel that

the man is not destitute and should not get relief. So these people feel they have a grievance, because just across the boundary they see relief administered in a more generous manner.

The merchants of the district also have a complaint. They get very few relief orders. I was talking to a merchant in the Saskatchewan area who said he had two hundred customers, of whom one hundred and ten bring in relief orders, so the people there are thoroughly convinced that there is discrimination in respect to relief as between the two provinces. As the Prime Minister has said, the dominion does not expect to get any money back; usually the province does not expect to get money back, but we find that the municipalities and the improvement districts are trying to get these people to work for their relief. No one objects very much to that, but what relief is given is deducted from the allowances in the improvement districts. I know that this is largely a provincial matter, but according to my information the province has applied to have a relief commission for the eastern part of Alberta, and I hope to convince the minister of the necessity of reviewing the situation in this district.

Mr. BENNETT: I think, Mr. Chairman, the hon. member for Medicine Hat is not correctly informed as to an effort having been made by the province to appoint a commission in the eastern area of Alberta. The fact is that there is always the difficulty to which the hon. gentleman refers where an imaginary line divides people. I could give some striking illustrations in the older world, and they are not lacking on this continent, where that condition has brought about invidious references to these facts. The truth is that the dominion undertook the responsibility with respect to the area in Saskatchewan, and the province of Alberta set up its own commission. The Alberta relief commission was appointed by order in council dated December 2, 1932, consisting of Mr. A. A. MacKenzie, of Edmonton, as chairman, Colonel G. E. Sanders, of Calgary, and Mr. Robert Livingstone, of Lethbridge. That order in council was passed at the instance, shall I say, of the federal government; it is their commission, and it is regarded as one of the best commissions functioning in the country. The Saskatchewan relief commission is composed of Mr. Henry Black, chairman; Mr. C. B. Daniel, general manager; Mr. W. G. Yule, Mr. A. E. Whitmore, Mr. H. A. Mumms, Mrs. Pearl Johnson, and Mr. Oliver J. Dean, secretary. In Manitoba, Mr. MacNamara, of the Department of Public Works, was secretary dealing with the matter, and in British Columbia, Mr. Griffith was administrator of the unemployment relief branch.

The representations which have been made by the hon. gentleman would be very proper representations to be made to the province of Alberta. I say to this committee very frankly that the dominion was not unwilling to assume the entire responsibility for administration and everything else in those provinces, and take it over as a dominion matter, but you have to deal with provinces who are not at the moment prepared to forego their autonomy and leave the administration of these matters in the hands of an outside authority. If the representations which the hon. gentleman has made now are successfully made to the government of the province of Alberta the matter will receive every consideration from the federal government as, if and when the request is made.

Mr. EULER: Mr. Chairman, the observations made by the Prime Minister with regard to the division of authority as between the provincial and federal governments impels me to say what I had intended to say at some other time. It seems to me that all the efforts in connection with relief in the last few years, and as contemplated under the bill now before the committee, have been predicated upon the assumption that this is an emergency only. I should like to venture the opinion that while relieving the distress of the unemployed is an emergency in an aggravated form, unemployment has become and will continue to be a more or less permanent factor. One would hope that as the years go by and as we return to a condition of normalcy, as one statesman of the United States called it, there would not be as great a degree of unemployment; that perhaps through the sharing of work, and for other reasons, nearly everybody will have employment. I believe, however, that for some years to come there will continue to be what one might term an irreducible minimum of unemployment, and that that has to be dealt with.

The point I wish to make is this, that if the government has not yet taken any steps in the matter it might very well now, either by the appointment of a commission, or of themselves, make investigations looking to the solution of the problem of providing for the permanently unemployed. The government itself and all hon. members in the house, regardless of their political affiliations,

have expressed themselves as being in favour of a form of unemployment insurance. I believe it was two sessions ago the Prime Minister said that unemployment insurance was a very difficult matter with which to deal, and that a good deal of time would be required to ascertain all the implications of unemployment insurance. He believed investigations would need to be made so that any legislation brought in would operate properly, under certain actuarial conditions, and so forth. But it seems to me that if the government could see its way clear to appoint a commission, if you like—and one hesitates to advocate the appointment of a commission, because there seems to be a great deal of public antagonism towards the adoption of such a course—it might consider the question from this point of view, namely, that nearly all these social problems ought, in a sense, to be coordinated under one federal control or, at least, under some sort of reasonable system. It might become possible that with unemployment insurance legislation there could be coordinated such things as workmen's compensation, widows' allowances, insurance for ill health, old age pensions, and poor relief. Then, combined with the investigations into the possibility of coordinating these services under federal control, there would of course arise the necessity of dealing with the provinces, because I appreciate that in this connection there is the question of invading their jurisdiction. The Prime Minister has spoken about the difficulty presented by the fact that the provinces are in control of some of these activities. I rise only to say that the government would do well to consider this suggestion, because in the future time might be saved if they at once appointed a commission for the purpose of investigating these matters. There would be many other features besides the ones I have mentioned. For instance, the commission could report to the government as to what form the unemployment insurance should take, whether it should be contributory or non-contributory —although the government is already on record in that connection—as to the proportion which should be paid by employer and employee; as to the proportion which should be paid by federal, provincial and municipal governments, and where the money should come from to make the payments—by special tax, or some other method. I am making these references in a more or less indirect way, and have not been particularly definite. I believe, however, there is merit in the suggestion that the government might now take steps to make these investigations so that at the earliest possible moment a definite scientific system, if we may call it that, could be evolved and enacted into law at the earliest possible moment.

Mr. BENNETT: The question of social services to be rendered to the people of a country by its government is one which has engaged the attention of peoples for nearly half a century. The burden placed upon governments has increased so greatly that the taxation necessarily imposed to meet the demands is, in some of the provinces, nearly as great as was their whole taxation at the time they came into being. Mothers' allowances, health insurance and old age pensions —and then, of course, there is the Workmen's Compensation Act, which I had intended to deal with separately, because it is more than a social service—all these are administered by the provinces. It will be recalled that the Workmen's Compensation Act is the embodiment of a principle, which principle is that an assessment must be made against industry for the purpose of providing a fund to meet the damage effected by industry to those employed in it. I have used the word "damage" rather than any other word, because actions which used to be taken in the courts were taken to recover damages for injuries. This act provides that a fixed sum shall be taken from industry every month for the purpose of creating a fund to satisfy the claims of those employed in the industry of a particular province. The consumer pays that tax.

Secondly, health insurance, which is part of the modern social insurance of Great Britain and on the continent of Europe, involves the payment of a sum based upon actuarial computations as to the period of illnesses of individuals, to enable a fixed sum per week to be paid, after a given period of illness, to those who are employed in industry. That is largely paid by the consumer. Now we come to old age pensions, and we find that in this country it is paid seventy-five per cent by the federal power and twenty-five per cent by the provincial power, that it is a sum payable to those who have reached the age of seventy years, and that it is paid to the extent of $20 per month. Those payments are made by the consumers, in the form of taxation. Then, lastly, there are mothers' benefits, or benefits which are created by statute to enable those who are deprived of the assistance of their husbands to maintain their children and enable them to give—and I shall use very broad terms—such training as will be sufficient to fit the children for

life's struggles. That also is paid by the provinces and involves an obligation being placed upon the taxpayers.

Those are forms of benefit which are paid directly or indirectly by the state to those engaged in industry, to those who have attained a given age or to others who have been deprived of a breadwinner. Then, of course, there is the ordinary, normal relief, which is an obligation placed upon the provinces, and in turn upon the municipalities. In the budgets of every province one could find year after year, long before the years 1929 or 1930, provision for indigents or for the poor, administered—and I am looking at the hon. member for Vancouver Centre—in remote communities such as those in British Columbia, where municipal institutions had not been set up, by the gold commissioner, and administered in the older provinces by municipal councils. This is indigent relief, or poor relief.

There were in this dominion before the depression set in an average of 143,000 people who had to be cared for, during the period they were unable to work, either by the savings they had made or by contributions made by the taxpayers. The hon. member for North Waterloo has pointed out that the number is now much larger. Undoubtedly it is much larger, not solely because of the depression but because of circumstances to which the hon. member for Wetaskiwin referred only the other day. This is the age of machinery; four men are now doing the work that seven did in 1920. The result is that you have to seek employment for that surplus population. For instance, take the everyday business of life which any one of us can recall from the days when we were ten years of age. We see year after year a lessening of the number employed in providing services for our comfort, for our convenience, and shall we say for our pleasure as well.

The hon. gentleman should keep in mind the fact that during all the period through which we have passed an effort has been made to collect such information as would enable us to have a picture of the situation, and we have that picture in a fairly complete way. It will be recalled that in the census we set up special inquiries for the purpose of giving us some idea of what was the situation throughout Canada. We have the reports of trades unions, and we have the reports of the establishments of industry giving us the number of people employed, the capacity for employment, and the extent to which that capacity has been taken up during the months which have passed. I say with all deference to the committee that that is a fairly simple thing. It requires patience and time and effort, but there is no difficulty in getting it if you take the time and have the patience to do it. That information has been fairly well secured in this country and we have it in fair shape.

However, when you come to deal with the problem of the creation of facilities to meet that situation you are confronted at once with divided jurisdiction. The provinces have exclusive legislative control over the matters mentioned in section 92 of the British North America Act. Unless there is agreement by them all, you will have a situation such as you have to-day with respect to old age pensions.

Mr. MACKENZIE (Vancouver): Could not the question of jurisdiction be reviewed?

Mr. BENNETT: The hon. gentleman has anticipated what I was going to say. I do not intend this afternoon to enter into a discussion of this matter, because obviously it is neither the time nor the place to do it. But I do say to the committee that there is not the slightest doubt in the world that unless there is a rearrangement of the powers of this parliament and the legislatures of the provinces, in the very nature of things the problem cannot be dealt with. May I say to the hon. gentleman that a commission is not necessary.

Mr. EULER: That was only a suggestion.

Mr. BENNETT: If I have the jurisdiction, I need nothing further in the way of information. I say that very frankly because we have spent enormous effort and considerable time and patience to see that that is available. All I can usefully say to this committee is that I hold a very strong opinion as to the necessity of an early revision of the provisions of the British North America Act. I am not unmindful of the fact, and I trust the committee will always keep this in mind, that sometimes there is an inclination on the part of many of us to be intolerant because of the views expressed by those who do not agree with us as to the desirability or necessity of amending that statute. I should like to remind the committee of what I am sure is in its mind always, that the British North America Act represents a compromise, and compromises are always difficult to change without the consent of all those whose interests may be affected. Every member

of this committee recognizes that difficulty. I need not go into it at any length, beyond stating that we recognize the difficulty and any steps we may take towards its solution will be taken in such a way as not to strain the mechanism of our existing machinery. When we have accomplished that we will be enabled to embark upon those improvements in our legislation which the circumstances clearly necessitate.

My attention has been directed to the fact that I said that before the depression period there were 143,000 who had to be taken care of, but I might state that that number does not include dependents. If we reckoned the way we do now, the number would be somewhere in excess of 400,000. The information given to me by those who make it their business to study this matter and report upon it as carefully as possible is that 143,000 would be an underestimate. I should have indicated that the 143,000 included only earners and not their dependents.

I am grateful to the hon. member for bringing up this matter, but it is clearly not a matter which we should endeavour to discuss under this measure. I have before me the recommendations which the provinces arrived at with the dominion last spring. I say very frankly to the committee that I had hoped we might be able to dispense with a relief measure this year. At the meeting in January the provinces indicated their views in these words:

> That until such time as the large numbers of unemployed throughout Canada have been substantially absorbed, either by improved industrial employment or by federal works, federal assistance to the provinces should be continued on the basis of the provinces dealing with present economic conditions by the distribution of direct relief as provided in the existing agreement between the dominion and the provinces.

That is the conclusion at which the provinces arrived. I have explained how we dealt with these matters. At the conference we stated what the situation was, and each premier made a statement as to the situation in his province. They then retired for the purpose of considering how they could best deal with the difficulties which confronted them, and that is the recommendation they made. It was unanimous, but they expressed the hope, in common with ourselves, that conditions would obviate the expenditure of large sums for relief.

I should like the committee to know that there is a very distinct improvement in this country. I will admit that in the country west of the great lakes it is less apparent than it is in the east. Shorn of their great reservoir of earnings by reason of a lack of profits, the millions of dollars which are normally available for business are no longer available. That means a diminution of purchasing power, and until there is an improvement in agriculture, in prices and otherwise, it is quite apparent that the general improvement must be delayed. However, in the camps maintained by the Department of National Defence where, as I explained yesterday, the men may leave to take positions in agriculture, industry or otherwise, the number has diminished by substantially 9,000. One industry has reported that during February it had the largest production of any month in its history, and it has been in existence almost since confederation. The same thing has happened in connection with another business. Another significant and striking fact, and one which fills us with the spirit of hope and optimism, is the increase in the production of electrical energy. I always regard these figures as an important factor, electrical energy being used to the extent it is in almost every form of industrial activity in Canada. More kilowatts of electrical energy were produced in February than in any month in the history of Canada.

Mr. VENIOT: Could the right hon. gentleman state how much electrical energy was exported?

Mr. BENNETT: There have been no new customers beyond those mentioned in the order in council produced a few days ago. My memory is that the quantity exported has not changed materially over a period of years. I usually carry these matters in my mind, but for the moment I cannot recall whether there were seven or ten; at any rate, there was a limited number of customers and they have been given permission to purchase and the producing company to sell electricity or gas in this country—natural gas in the far west and electricity in the east—for I think a matter of fifteen years or thereabouts, perhaps a little longer. There has been no substantial change in the matter since then.

Mr. NEILL: Might not the increased consumption of electricity be due to the abandonment of steam rather than to increased industry?

Mr. BENNETT: It well might be, but the fact is that that usually is gradual, and the striking figures with respect to electricity give one at least some cause for hope. Take the harbour of Halifax, which is one of the finest

in the world; the business transacted in that harbour during the month of March was greater than in any year in the history of the port, and that is in itself a striking record.

Mr. FACTOR: Why ask for all these extraordinary powers, then?

Mr. BENNETT: A Daniel come to judgment, O most noble Daniel! Perhaps I should not apply the Merchant of Venice's figure of speech, but one hearing that observation is almost inclined to do so; even some of the hon. gentleman's colleagues see the force of it. I merely answer the questions put to me by hon. gentlemen, indicating that we had hoped we might avoid dealing with the matter as we have. The provinces thought otherwise, and after discussing it with them fully we have introduced the measure now before the house. Far from having failed to realize what the hon. member for North Waterloo has referred to, we have endeavoured to accumulate and have accumulated all the information necessary to deal with the problems of social betterment. But we have not yet approached the problem of an amendment to the British North America Act. That is in the offing, and I suppose that in the course of human events, and when an indulgent and grateful electorate have honoured us with their support, we may be able to make such changes as may be necessary.

Mr. EULER: I have no intention of carrying the discussion further at the moment. I brought the matter up merely because of my desire that what is done in an emergency should also be dealt with in a permanent manner, because it will be a continuing emergency, if you care to put it that way. My suggestion of a commission was merely to secure information which the Prime Minister says has already been secured. I am rather surprised to hear that. I realize also the difficulty with regard to conflicting jurisdiction between the provinces and the dominion. I realize that, and that was one of my reasons for bringing the matter up. I am glad I brought it up if only for the fact that we have got from the Prime Minister a statement that he believes the British North America Act should be amended.

Mr. DENIS (Translation): Mr. Chairman, while accepting as a fact the statement of the right hon. Prime Minister in connection with the improvement of business in this country, could he explain why the government, according to the provisions of section 2, desires unlimited powers to relieve the unemployed? Could he not state the amount necessary to end this crisis from which we are suffering for the last three years? Are the requests which he received—either from provinces, municipalities and private or public companies—so numerous that it is impossible for him to state the amount necessary to solve this problem? I wish to inquire from the right hon. Prime Minister whether he can supply us with a list—I do not ask for a complete one, but at least of some of the requests which the government has received heretofor.

Mr. BENNETT: My hon. friend knows that I follow him with a little difficulty; I can follow the meaning that attaches to a few of his words and from that, with the help of my friends, I can understand the whole. If I were to produce all the demands made upon us by all companies, municipalities and communities, then I might be within the words of Scripture, in saying that so many books could be written about them that they would be beyond the mind of man to remember. The truth is that we have been inundated with requests for assistance with regard to everything and when we have referred them to the province that usually has been the end of it, for reasons which I think are fairly obvious, especially to my hon. friend from Charlevoix-Saguenay. Under those circumstances I feel I can add nothing to what I have said.

Mr. VENIOT: In connection with the remarks of the Prime Minister touching the exportation of electricity, did I understand him to say that there were some orders in council laid on the table?

Mr. BENNETT: The orders in council are referred to every year in the departmental report indicating the extent to which exportation has been permitted, and I think you will find in the trade and commerce report the reference to them.

Mr. VENIOT: Another question. The Prime Minister, referring to the census returns and the number of unemployed, mentioned 143,000 as reported by the census returns. Was not that, as reported by the census returns, the average for the previous ten years?

Mr. BENNETT: It was not a census return at all and I did not say it was. The only difficulty is that the hon. gentleman is wrong on two counts: first of all it was not a census return, and I did not say it was. I said that the average reported by the statistical department—

Mr. VENIOT: They got it from the census of 1931.

Mr. BENNETT: No; the average for a period of years was 143,000.

Mr. VENIOT: I was not so far astray as the Prime Minister suggests, because the census returns contain a definite statement. They say that they find there were 140,000 or 141,000 of unemployed on an average for the previous ten years. That is what the census returns say, and the statistical department no doubt got their information from those returns.

Mr. BENNETT: The report to which I referred was prepared by the Department of Labour for 1920-29, and on the basis of information received there was indicated an average of 143,000.

Mr. POWER: I should like to obtain some information from the minister with respect to an order in council dealing with a guarantee to the Dominion Steel and Coal Corporation. I have the order in council before me, but I fear very much there must have been a previous one. This is order in council P.C. 1229, as follows:

Certified to be a true copy of a minute of a meeting of the committee of the privy council, approved by the deputy of His Excellency the Governor General on the 28th June, 1933.

The committee of the privy council have had before them a joint report, dated 21st June, 1933, from the Minister of Railways and Canals and the Minister of Labour, representing:

That, in order to assist in the relief of the existing unemployment situation in Nova Scotia, an arrangement was made under date of May 25, 1932, with the Dominion Steel and Coal Corporation, Limited, to manufacture steel rails amounting to 15,000 gross tons at $46 per ton, to be delivered f.o.b. cars at Sydney on March 1, 1933, up to which date there were to be no extra charges, but after March 1, 1933, the government agreed to pay the interest charges on the value of such rails unless previous to that time the Canadian National Railways had taken over the rails.

The question which I should like to ask is: Was an order in council passed prior to this one authorizing the agreement, or was this an agreement made between the Canadian National Railways and the steel company?

Mr. BENNETT: So far as I know there was no previous order in council. The matter was discussed between the president of the Dominion Steel and Coal Corporation and the Minister of Labour, and in 1934, that is this year, the matter was again discussed, because the order in council refers to a 30,000-ton rail order received from the Canadian National Railways and the guarantee was given to the Bank of Montreal in respect to the same. Is that the one?

[Mr. Veniot.]

Mr. POWER: Probably the Prime Minister misunderstood me. He is referring to the Algoma Steel?

Mr. BENNETT: Yes.

Mr. POWER: I am referring now to the Dominion Steel and Coal order. In the order in council there is a reference to an agreement entered into between, I assume, the government or probably the Canadian National Railways and the Dominion Steel and Coal. I would like to know something with respect to that arrangement.

Mr. BENNETT: The agreement was made between the railway company and the Dominion Steel and Coal Corporation. The memorandum of the Dominion Steel and Coal Corporation is as follows:

The action taken by the federal government in aid of the imperilled coal and steel industries of Nova Scotia during recent years has included transportation subventions linking up rail and water movements in the navigation season; assisted rail movement in the winter; encouragement to the use of Canadian coal in coke ovens; both in regard to metallurgical coke and domestic coke supplanting imported anthracite; and release of orders for steel rails as an unemployment measure.

The results of this coordinated action of the government have been more stimulating and beneficial than the most optimistic anticipation. The steel plant in Sydney, because of the backlog to its operations given by a 50,000-ton rail order given in the spring of 1933, has been enabled to quote successfully on two rail orders from South Africa, and to obtain substantial orders for export to Great Britain of wire nails, rods and billets.

The direct result of the rail order has been to enable the Sydney steel plant to work on a 50 per cent basis over a period that it is hoped may extend into the summer of 1934. The activity of the steel plant thus made possible has required greater coal consumption, and is on the eve of being reflected in ore and limestone production in Newfoundland, thereby favourably affecting Canadian exports of a general nature to Newfoundland by increasing the purchasing ability of the island. The wisdom of the action of the government taken in aid of the distressed coal mining industry of Nova Scotia has been equally demonstrated by the results in increasing employment.

Coal mining is the life of Nova Scotia. One-quarter of its population, as actual workers, or as the dependants of workers, obtain their livelihood within the province through the mining and transportation of coal, through supplying of mine materials, and in the allied steel industry which is built upon local coal supply. There are other numerous workers beyond the boundaries of Nova Scotia whose livelihood is gained by the handling and distribution of Nova Scotia coal; the benefits of Nova Scotia coal mining in respect to employment being felt throughout all eastern Canada.

A substantial part of the provincial revenue comes from coal royalties.

Then after discussing the assistance given by coal subventions, he proceeds:

Side by side with this condition in Nova Scotia, coal of non-Canadian origin—the employment from its production benefiting other countries—was being imported into eastern Canada to the extent of 8,000,000 tons of bituminous quality annually, identical in its uses and grade with Nova Scotia coal.

The cost of production of coal in Nova Scotia was increased to a crippling extent by operation of mines at less than half normal rate. The competitive ability of Nova Scotia coal was becoming smaller all the time as the financial resources of employers and workers became exhausted.

The existence of the coal mining industry, which is almost the same thing as the commercial and industrial health of Nova Scotia, was gravely imperilled.

In these imperative circumstances the granting of transportation subventions enabling Canadians to use Nova Scotia coal instead of imported coal was no less than the plain duty of the federal government. As a result coal mining in Nova Scotia has been kept in being, and the use of Nova Scotia coal has been extended to areas formerly exclusively supplied by imported coal, where it has proved to be at least as good quality and as suitable for all kinds of purposes as imported bituminous coal.

The expenditure on subventions has avoided much greater expenditure in necessary workers' relief, has averted calamitous commercial collapse of employing corporations and bankruptcy of municipalities. The assistance given has necessarily been proportionate to the need. The scheme of the coal subventions has in mind the lessening of expenditures as business recovery proceeds. The assistance so far given, based on a need that it is hoped is lessening, has certainly averted conditions requiring such great assistance as to be beyond the powers of government.

Taking all the attendant circumstances into consideration, the action of the government in encouraging the use of Canadian coal by Canadian consumers was plain common sense and has been abundantly justified by what it has accomplished.

I read the whole of that because it covers both the question of subventions in regard to coal and the order for rails.

Mr. POWER: Who was that from?

Mr. BENNETT: From the president of the corporation, Sir Newton Moore; it is in his memorandum to the government.

Mr. POWER: I do not think the Prime Minister understood my question. My question is: What arrangement was entered into by the government or by the Canadian National Railways in 1932? The order in council speaks of an arrangement.

Mr. BENNETT: The order of June 2?

Mr. POWER: This is order in council P.C. No. 1229, dated June 28, 1933, and it refers to an arrangement made under date of May 25, 1932, with the Dominion Steel and Coal Corporation, Limited, to manufacture steel rails amounting to 15,000 gross tons at $46 per ton to be delivered on March 1, 1933. I would like to get some information as to the nature of that arrangement and who were the parties to it.

Mr. BENNETT: Prior to the passing of the order in council, to which the hon. gentleman has referred and which authorizes payment, an order in council was passed guaranteeing to the bank the sum of money that represented the cost of the rails. The arrangement referred to is between the railway company and the steel company whereby the rails were to be rolled to a certain specification and all the particulars that the railway company required. Then the government on June 2, being a few days after the arrangement was made for the purchase of the rails, guaranteed the account to the bank to the extent of $1,100,000.

Mr. MACKENZIE (Vancouver): To one bank or several?

Mr. BENNETT: There were three banks: the Bank of Montreal, the Royal Bank and the Bank of Commerce. Then the order in council to which the hon. member has referred was passed for the purpose of authorizing the department to make the payments.

Mr. POWER: Can the Prime Minister give the number and date of that order in council?

Mr. BENNETT: P.C. 1076, June 2, 1933.

Mr. POWER: May I ask that it be produced?

Mr. BENNETT: I am informed that it has been tabled.

Mr. POWER: This order to which I now refer is one, I take it, authorizing the payment of interest only.

Mr. BENNETT: Yes, it was order number 1229 of June 28, 1933, authorizing payment:

Out of the consolidated revenue fund in accordance with the provisions of The Relief Act, 1933, to the Dominion Steel and Coal Corporation Limited of the amount or amounts of interest at the rate of 5 per cent per annum upon the value of the quantity of rails rolled, as per the inspection certificates, the said quantities to be valued at $45.25 per gross ton for No. 1 rails and $45.25 less 5 per cent for No. 2 rails, such interest to be paid to Dominion Steel and Coal Corporation Limited in respect of the balance of the value of rails that may at any time after March 1, 1933, be outstanding for settlement by the Canadian National Railways in respect of tonnage remaining to be taken over by the Canadian National Railways.

The ministers observe that the quantities certified to in the inspection reports are esti-

mated quantities which are subject to verification upon final weighing of the rails as and when to be taken over by the Canadian National Railways, and that final settlement will be based upon the quantities ascertained through actual weighing at the time of final taking over.

Mr. POWER: May I ask if the original order in council number 1076 of 1932—

Mr. BENNETT: No, 1933.

Mr. POWER: Of June 2?

Mr. BENNETT: Yes.

Mr. POWER: —was passed under the Relief Act of 1933 which provided that guarantees could be given to corporations?

Mr. BENNETT: Yes.

Mr. POWER: But prior to the passing of that act a contract must have been entered into between the government and the steel company, because reference is made to an arrangement made under date of May 25, 1932.

Mr. BENNETT: That arrangement was between the railway company and the steel company, not with the government.

Mr. POWER: Does this amount of $1,100,000 become a liability of the Canadian National Railways?

Mr. BENNETT: It is a liability of the Canadian National Railways, and it stands for payment as the rails are taken into use. In the meantime, under the provisions of the order in council to which I have just referred, interest payments were made. Then the rails have to be paid for as they are taken into service by the railway company.

Mr. POWER: Referring now to another order in council, P.C. 1285, passed and approved on June 28, 1933, it is rather long to recite but it deals with a guarantee by the government to the Bank of Montreal of an amount of $660,000 to provide for the manufacture by the Algoma Steel Company of 30,000 tons of rails for the use of the Canadian National Railways. May I ask the minister to give some details of that order in council?

Mr. BENNETT: Perhaps the hon. gentleman is aware that the Soo mill manufactures rails, and has supplied rails in large quantities to the Michigan Central and other American roads operating in Canada as well as to the Canadian Pacific and Canadian National. As a large number of persons were unemployed at the Soo, an order was sought from the railway company. If the railway company required rails they thought they should have part of the order. The government was then asked whether if the railway company ordered rails the government would give a guarantee to enable operations to be carried on. I suppose it is within the knowledge of this committee that the Algoma Steel Company was in the hands of receivers. Therefore the assistance which I have mentioned was sought. The letter which was written to the minister states:

> Our rail mill started on the 30,000 ton unemployment order December 4th and has been operating on single turn in order to distribute the work as much as possible. The order is about one-half rolled and will run to the first week in March.
>
> The operation of the rail mill on this unemployment order has not only restored employment to rail mill employees but has enabled us to secure orders for other material to operate the two merchant mills through the winter. We now have approximately 1,600 men employed, and a payroll of $150,000 per month.
>
> During last summer we had in Sault Ste. Marie over 1,500 families on relief and this would have been increased materially this winter had it not been for the steel plant operation.

That letter is dated January 26, 1934. It is from one of the receivers, the operating receiver.

That is a case in which an arrangement was made between the railway company and the rolling mill, and the rails that were supplied will be taken possession of and paid for as required. I think some of them have been recently shipped into service. The guarantee was given because the company, being in the hands of receivers, could not secure the necessary capital without having some assurance that these rails would be paid for.

Mr. POWER: By whom was that letter signed?

Mr. BENNETT: The present receiver, Mr. Franz. He is one of the receivers and managers. The names given on the letter paper are: W. C. Franz, Sir W. E. Stavert and John A. McPhail, receivers and managers.

Mr. POWER: Had the plant been closed for any length of time before this?

Mr. BENNETT: I am not in a position to say definitely, I think it had not been operating for some time.

Mr. POWER: The member for the constituency is standing right behind you.

Mr. SIMPSON (Algoma): The Algoma Steel mill at Sault Ste. Marie had not been operated except part time for probably the past three or four years; I think during the years 1932 and 1933 not more than three

months. They had a considerable quantity of raw material, iron ore and coal and limestone, as outlined in the order in council. As stated by the Prime Minister, they were in the hands of receivers. The bank was not anxious to advance money to enable this raw material to be manufactured into steel rails, and so the government were approached. As a matter of fact they were approached by representatives of the city of Sault Ste. Marie, not by the company. They were asked if they would guarantee a sufficient portion of the cost of manufacturing these rails to take care of the wages of the men and the cost of such raw material as it might be necessary to purchase. It was done as an unemployment relief proposition entirely. Sault Ste. Marie, as my hon. friend probably knows, has a population of about 23,000 or 24,000 people, 75 per cent of whom are dependent, either directly or indirectly, on the operation of that steel mill for their living. Over 2,000 men are ordinarily employed in the mill. The great majority of these men have been living there for many years. Many of them had their own homes, some of them not entirely paid for. As a result of the mill not operating at all steadily during the past few years these men were unable to find work, unable to provide for their families, and many of them were on relief. As stated in the letter from Mr. Franz, there were some 1,552 families receiving direct relief in the Soo last summer. It was stated by the relief committee, as well as by the mayor, that that number would be undoubtedly increased to much over 2,000 families unless work were provided. After the arrangement was made and the mill put in operation about three months employment was given in the rolling of the rails and approximately another month in getting the mills in shape for operation. This meant about four months of operation, at about $150,000 per month in wages. In other words at least $500,000 was distributed in wages as a result of the order, and instead of there being 1,552 families on relief, as there were last summer, the number fell to something like 640. The saving in direct relief, estimating 1,000 families for four months at $25 per month per family, would be about $100,000. Even if the government had to pay the interest on this guarantee for a period of three years it would not amount to as much as the saving in relief, but I do not expect that the government will have to pay interest for anything like that period of time because, as the Prime Minister has stated, already delivery has been taken of a portion of the rails. When the Canadian National take delivery they pay for the rails; the money is deposited in the bank and to that extent the guarantee of the government is reduced.

Mr. MACKENZIE (Vancouver): Can the hon. member tell me what quantity has been delivered to the Canadian National?

Mr. SIMPSON (Algoma): I do not know the exact tonnage that is carried on a railway car, but eighty carloads have been shipped.

Mr. POWER: To what point in the country did they go?

Mr. SIMPSON (Algoma): My information is that they went to western Ontario, in the vicinity of London, where the Canadian National have need of replacements.

Mr. POWER: I have been given to understand lately that, because of the pooling arrangements that have been made, a great many railway lines are being given up. If I did not misunderstand the statement made by Judge Fullerton only a few days ago, on some of these lines the pooling will be permanent, so I suppose eventually the rails in use will be torn up. I am therefore asking myself the reason for the urgent need of rolling more rails at this particular time and particularly of charging the Canadian National with them, when in some districts, such as my own, the Canadian National rails are being abandoned altogether. According to my recollection of the deliberations of the railway committee for the past few years, these rails are good; in fact they are practically new. I stand to be corrected, but it seems to me that on several occasions the late Sir Henry Thornton stated that one of his great problems was to replace the sixty pound rails with rails weighing eighty pounds and up to one hundred pounds, but that he had carried out that replacement to a considerable extent throughout Canada, and in fact the operation was almost complete. If that were so I fail to see, with all due respect to my hon. friend from West Algoma, and without in any way criticizing him for having endeavoured to do his best to provide employment for the unemployed in his constituency by reopening a mill which had been abandoned for three or four years—

Mr. SIMPSON (Algoma): Not abandoned.

Mr. POWER: Well, a mill which had been in the hands of a receiver and had not been operating for three or four years. I rather fail to see the justification for the govern-

ment guaranteeing a transaction such as this and forcing the rails on the Canadian National, which, as I remember it from last year, was to be kept entirely free from political influence, either sectional or local. That was why we appointed all these trustees. I remember at that time pointing out to the members of this house that the difficulty under which the Canadian National had laboured in the past had not been due to petty political pressure but had been due to large demands from large sections or provinces, and that there was nothing to prevent the Canadian National trustees from submitting to such sectional pressure, that nothing in the act we passed last year could bring about that result. Of course I was told that the views I then expressed were altogether without foundation, but now we find that we have unloaded on the Canadian National fifty thousand tons of rails from Nova Scotia and thirty thousand tons of rails from the Algoma Steel Company. I fail to see what justification exists for these orders in council from the standpoint of looking after our greatest problem, namely the Canadian National Railways, and I should be glad to have that explained to me.

Mr. MacDONALD (Cape Breton): Coming from the city of Sydney and having a fairly intimate knowledge of this transaction I want to say that nothing this government has done can be justified quite as easily as the action taken in this connection. There is no doubt at all, as every person who uses the Canadian National knows, that rails must be replaced. There is need of replacements in the eastern section now, and it was simply a matter of justice and good business for this government to agree to guarantee the payment to the banks of the money which was advanced to supply those rails. The effect of these orders has been to transport a large section of the industrial east from the depths of despair to a fair measure of prosperity at the present time. The steel company at Sydney was not operating; true, the fires had not been put out but it was just lingering on. Delegations not only from the steel company but composed of representative men from all parts of the county of Cape Breton came here and laid their case before the government, showing them that the rails were needed and what would be the effect of such an order. The result, so far as the city of Sydney is concerned, where we had fifty per cent of the people on relief, was to take at least seventy per cent of those people off relief, and these rail orders have also affected the production of coal, with the result that to-day our mines in Cape Breton are being operated to a greater extent, considering the time of year, than has been the case during the past ten years. The steel company is employing perhaps seventy per cent of the men it formerly employed, and in the city of Sydney relief distribution has fallen to perhaps twenty-five or thirty per cent of what it was three years ago. I would suggest to hon. gentlemen opposite that when they discuss a matter such as this they do so having in mind the Canadian point of view.

Mr. POWER: The Canadian National point of view.

Mr. MacDONALD (Cape Breton): Simply because these rails come from one or two parts of Canada is no indication that there is not equally as great an effect upon the western portion of our country. This is one country, and the lines separating the provinces are purely imaginary. If the province of Alberta prospers, the province of Nova Scotia prospers, and vice versa. I have no desire to criticize the managements of the Canadian National Railways who held office in days gone by. It is true, as one railway man has said, that they spent money like drunken sailors. We are now suffering for it. But if the fact remains that the Canadian National Railways must in a certain number of years have their rails relaid I say that the mills in Canada should be allowed to furnish them. Because of this increased work relief which would otherwise be necessary is rendered unnecessary.

Mr. MACKENZIE (Vancouver): I should like to ask a question regarding the guarantees. What number of tons of steel were actually delivered to the Canadian National Railways first, from the fifty thousand tons ordered from the Dominion Steel Works, and secondly from the thirty thousand tons to be delivered by the Algoma Steel Corporation?

Mr. BENNETT: I am sure the hon. member will realize that this is not information the government receives. The accounts we had to pay with respect to interest were entirely outside the question of deliveries, and I am not in a position to give information as to the quantities delivered. I do know, however—and when I say I know I should add that I have been informed—that a part of the Soo order has been placed on track.

I should like to say this: I cannot think that any good purpose is being served—with one exception and if that is the purpose I am perfectly willing that the discussion should continue, namely, that of prolonging the discussion—by dealing with matters in a discussion of this bill in the way we have been

dealing with them this afternoon. To assert that we were endeavouring to force rails upon the Canadian National Railways is, in my judgment, rather—shall I say—insulting to the intelligence of the committee.

Mr. POWER: I don't mind what the right hon. gentleman says; go ahead; shoot.

Mr. BENNETT: I shall not reply to the hon. member in kind; I think perhaps he can deal with his own condition. But I do desire to say this, that the trustees were not appointed until January of this year, and that these transactions were those of last year. The transaction supplying rails to the Canadian National Railways was one carried on between the railway company and the mills. But the mills could not carry on, so far as the financial position was concerned, without assistance from the government in the manner indicated. To suggest that this government was endeavouring to force the Canadian National Railways to buy rails at the "Soo" when it has already put into track something like 2,500 tons of them is not, I suggest, quite what should be said with respect to a matter of this kind. Everyone who is familiar with modern railroading knows that the heavy engines used on both railroads in Canada have necessitated the relaying of track. The old 60-pound steel has been changed not only to 80-pound, but to 105-pound sections. And the old 56-pound rail, which was laid on the Canadian Pacific railway when I went west, was a rail produced by Krupps in Germany and by the Barrow firm. I believe there is not now between Vancouver and Montreal a single rail on the main line which does not bear the name of a Canadian mill. Of course on the American end of the Canadian National Railways' line to Chicago, Canadian rails are not laid. Heavy rails put in place in consequence of heavy motive power have cost a great deal of money, and the lighter weight rails have been taken out of track and put into branch lines.

I understand—and I want to be very careful about this because I am not definitely informed—but I understand that the 2,500 tons of rails which have already left the "Soo" have been put in the London section of the Canadian National Railways which, as the hon. gentleman knows, is on the main line to Chicago, a line on which heavy motive power has been used necessitating a rail section much heavier than the old rails before used. I do assure the committee that no effort was made to induce the Canadian National Railways, as a matter of politics or otherwise, to order rails they did not want. The answer is that if in March of 1934, 2,500 tons had been taken out for the purpose of placing in tracks, one will readily realize that the rails were needed. For instance, to my knowledge, from a statement made by one of the officials, the "Soo" mills are now continuing to roll rails for the Canadian Pacific Railway, which also requires replacements. Those who are familiar with the strain upon rails brought about by modern highspeed trains, and the efforts which have been made to secure rails which will withstand the tremendous pressure of high speed and heavy loads, will know that the railway companies are always, shall I say hungry, for new rails. The only question is that of holding them down, so far as possible from spending unnecessarily in rail purchases.

If there is anything in this transaction which should not have been done I should like to know what it is. I was here when at least one contract was completed, and I know of nothing that any business man would not have done. As a matter of fact the transaction saved money. To be perfectly frank about it, that is the fact: It saved us money. In other words the interest we pay was less than the sum we would have been obligated to pay under direct relief measures for the community in question. The prices paid for rails were the standard prices prevailing at that time. I think that if the hon. gentleman will take the trouble to look up rail prices he will find there was no addition to the ordinary prices for rails of a similar type.

Mr. POWER: I shall not endeavour to follow the right hon. gentleman in a discussion of his dissertation of an hour's duration. He has indicated that my few questions on a matter of public importance, namely, as to why the country had undertaken to guarantee large sums of money, were more or less insulting to the intelligence of the committee. That, I think, is a matter which should be left to the judgment of the committee.

The point is this: Here are certain orders for rails. If the Canadian National Railways needed rails they could give their order to any Tom, Dick or Harry who could go to the rail market and have them rolled. I doubt very much whether there was any necessity for a government guarantee. The point I make is as to whether or not there was any necessity for a guarantee.

Mr. SIMPSON (Algoma): How many rail mills are there in Canada?

Mr. POWER: Probably two. I have no doubt, however, that if the Canadian National Railways, without any governmental intervention, had given an order for rails, either of the steel companies mentioned would have been only too glad to accept. I am under the impression that for many years the Dominion Iron and Steel Company did business with the national railways.

Mr. MacDONALD (Cape Breton): The Dominion Steel and Coal Corporation could not finance the rails.

Mr. POWER: I understand an order was given to the Dominion Steel and Coal Corporation by the Canadian National Railways before the government guaranteed payment. I may be wrong in that statement but I am subject to correction. As I understand it, there were two orders and in the case of one of them I cannot understand why the Dominion Steel and Coal Corporation could not finance an order for twenty, thirty or forty thousand tons of rails. It seems to me that any bank would be only too glad to finance an order from the Canadian National Railways.

Mr. MacDONALD (Cape Breton): Unfortunately the banks refused to do it.

Mr. POWER: In the case of the Dominion Steel and Coal Corporation, apparently the order was completed before the government intervened. The order in council reads:

> That in order to assist in the relief of the existing unemployment situation in Nova Scotia, an arrangement was made under date of May 25, 1932, with the Dominion Steel and Coal Corporation, Limited, to manufacture steel rails amounting to 15,000 gross tons at $46 per ton, to be delivered d.o.b. cars at Sydney on cars March 1, 1933.

My information is—I am subject to correction—that that order in council was not passed until June, 1933, three months after the order was supposed to be completed. A moment ago the minister stated that the order in council was number P.C. 1076, dated June 2, 1933, for $1,100,000. The work on this order was commenced on May 25, 1932, and apparently delivery was made sometime in March, 1933, prior to the guarantee. If the company were able to pay their men and purchase their ore from a foreign country in both cases, they must have been in funds or have received assistance from someone. If the Canadian National Railways really needed the rails it seems to me that there would have been no difficulty in the railway company financing the order instead of the government giving a guarantee. It is for these reasons that I am making my inquiries this afternoon.

[Mr. T. E. Simpson.]

Mr. BENNETT: Perhaps the difficulty of the hon. gentleman can be explained. He has not allowed for the fact that the rolling mills were not in a position financially to carry a loan from the banks until such time as delivery was to be made. In other words, the delivery was enlarged far beyond the period of time that it is usual for the purpose of getting money. I do not think it is necessary to go into the financial position of the companies. One of them was in the hands of receivers and the banks had advanced all that they cared to advance. I suggested that they might get a further advance on receivers' certificates but that was found not to be practicable. The order in council was passed in the form in which it is because the advances made by the banks were quite substantial and they were thus able to know that the money advanced for wages would be repaid.

The hon. gentleman has referred to the fact that the ore was purchased in a foreign country. The fact is that there was on hand a substantial quantity of ore, limestone, and the other commodities which go into the production of steel. This applied both to the company at Sault Ste. Marie and the one at Sydney, although the position at Sydney was not perhaps just the same as at Sault Ste. Marie. I do not think I am discussing the private business of the company when I say that the banks felt that under the then existing economic conditions they had advanced all the money that they should advance. If they were going to make payments against the production of rails which would not be paid for immediately, during the time between the completion of production and the time the rails were taken by the purchasers to put on the track they would find themselves with substantial moneys locked up under conditions with which they did not care to deal. Hence it is that this arrangement was made.

As far as the forcing of rails on the Canadian National Railways is concerned, I appeal to any hon. gentleman who has sat on the committee to state if he has not found that the difficulty is to prevent rails being required by the railway. The flattening out of rails by the heavy high speed steel trains and motive power has necessitated the laying of new rails, and all members who have sat on the select committee—I observe one of them in front of me now—will realize that what I say is correct. The general manager and president of the railway has always stated that he is compelled to put in heavy rails,

not because he wants to but because he could not prevent it.

The reason this guarantee was given was the lapse of time between the date of the completion of the order and the uncertainty as to when the railway company would take possession of the rails to put them on the track. They required financial assistance and it was given to them in this manner.

Mr. POWER: The financial assistance was not really necessary in order to permit them to begin operations. From the statement of the Prime Minister I understand that both companies had large quantities of raw materials on hand. With an order in their possession and large stocks of raw materials on hand there would be a strong argument against the necessity of a guarantee. I have sat on the special committee ever since it has been inaugurated—I sat on that committee even before the right hon. gentleman came into the house—and I know as well as the Prime Minister that there has always been a demand for rails. But I know also that there has been a preaching in this house and throughout the country day in and day out for the cutting to the bone of expenditures on the Canadian National Railways. I know also that lines are being abandoned right and left, trains are being pooled, and men are being thrown out of work. We are told we must not put too much pressure on the Canadian National Railways, and it seems incomprehensible that we should order rails in advance. As the Prime Minister has pointed out, the government is to pay interest during the time which elapses from the completion of the contract and the time the rails are taken by the company. In one order in council arrangement is made for the payment of $13,000 in interest and in the other there is an arrangement between the corporation and the bank. Order in council, P.C. 1285, which deals with the Algoma Steel Corporation, reads:

> That the corporation and the said bank will give to the dominion government such assurances as may be requisite to provide that fifty per cent of the rails manufactured under the terms of this proposal shall be earmarked and held as security against advances made under the dominion's guarantee to the bank and upon payment being made for the said rails by the railway company, in whole or in part, the money paid therefor to the bank by the railway company shall effectually release the dominion government from the guarantee to the extent of such payment.

So that there was a kind of joint arrangement there, as I understand it. I do not intend to proceed very much further with the matter; I simply want to make myself clear. I think I am within my rights in inquiring into the reasons which brought about the guaranteeing of such large sums to the banks, who have been stating in the public press and elsewhere that they had any amount of money to lend to good borrowers, and I know of no better borrower than a man who has a government order in his pocket; I have never heard of any better borrower anywhere throughout the country. It has been almost an axiom that a person who had an order from the government could go to any bank and, by transferring the order, obtain the money to carry it out.

Mr. MACKENZIE (Vancouver): I asked the Prime Minister a sensible question in regard to the amount that had already been delivered to the Canadian National Railways, of the order of 50,000 tons in one instance and 30,000 in the other. That question I think has a distinct bearing on the actual necessity for meeting the demands made by the railway company, and this committee is only doing its duty when it inquires into the matter. We have here $111,000,000 which this government has guaranteed under the relief legislation. The select standing committee on banking and commerce has already been investigating two of these major items, one the $60,000,000 to the Canadian Pacific Railway, and the guarantees to Canadian Co-operative Wheat Producers Limited. In addition, there are some provincial guarantees. There is a guarantee of over $15,000,000 to Beauharnois.

Mr. BENNETT: Half of the recent issue made the other day goes to reduce that.

Mr. MACKENZIE (Vancouver): I was going to ask about that. The next two major guarantees are $1,100,000 to the Dominion Steel and Coal Corporation and $660,000 to the Algoma Steel Corporation for the production, respectively, of 50,000 and 30,000 tons. Surely this committee is entitled to know the exact situation in regard to each of these guarantees, and I suggest that if the information is not available in detail, the railway committee during the present session could find out how many tons of these steel rails have been delivered in each case—that is, from the Dominion Steel in Nova Scotia and from the Algoma company. Next, we should like to know what requests were made by the Canadian National Railways as to their requirements for steel rails and, further, whether these rails are required immediately by the Canadian National system. We are entitled to that information, and it seems to me that the right hon. gentleman took an

improper course in trying to castigate my colleague and, inferentially, the whole committee, for asking sensible questions in the public interest. I repeat, we are entitled to know, and if we cannot get the information now we can get it later on. In the first place, how much has been delivered by the Nova Scotia company?

Mr. MACDOUGALL: All.

Mr. MACKENZIE (Vancouver): This is the first time we have received a reply to that part of the question. In the second place, how much has been delivered by the Algoma company to the Canadian National Railways? Further, following what has been said by my hon. friend from Inverness (Mr. Macdougall), I should like to know how much of the proportion of the rail tonnage delivered to the Canadian National by the Nova Scotia company has already been used by the railways up to the present time.

Mr. MACDOUGALL: I cannot answer that.

Mr. MACKENZIE (Vancouver): The committee should have that information, because we want to know what necessity there is for the company utilizing these rails at the present time, or whether the rails were ordered in advance by the Canadian National Railways. My colleague pointed out the stringency that has prevailed throughout the country and the unemployment condition which has necessitated the introduction of the bill now before the committee, and if very substantial orders have been given for steel rails in advance of actual requirements—I do not know whether that is so—then I suggest very seriously that it is a question that merits investigation by the railway committee.

Mr. BENNETT: I did not in any sense object to furnishing such information as the government had, but I did say to the hon. gentleman, and I think he must have heard me, that the government had no information as to the extent to which the rails had been used. I tried to make that abundantly clear. In addition to that, I have only to say that the whole transaction was based upon the assumption that the rails were not immediately required. I said so very early this afternoon, and that is the reason the government entered into the transaction at all. Because of the fact that the rails were to be used in the future and that the company producing them had to make immediate payments, and inasmuch as it would not be paid for until some time in the future, they would not be reimbursed unless they got the money from the banks for the sums necessarily expended for production of the rails. The extract read with respect to a portion of the rails referred to the fact that the bank had the security of the raw material, that is, the ore and the limestone, and when the ore and limestone became steel the bank wanted to make it perfectly clear that they did not thereby, in the finished product, lose the lien they had under the Bank Act with respect to the raw material. That is a commonplace with those of us who practise law; it is provided for in the Bank Act itself.

The government has not from day to day asked the extent to which rails have been delivered. I cannot say to-day whether at the Sault they have delivered 2,500 or 2,600 tons, nor where they have delivered them. My colleague from Inverness intimates that delivery has been taken of the whole of the production at Sydney. I was not aware of that fact myself. The extent to which the rails are delivered will of course vary from day to day while delivery is being taken. The hon. member for West Algoma (Mr. Simpson) pointed out that a trainload of some eighty cars of rails had, he understood, gone to the London division. That I estimate would be between 2,500 and 3,000 tons of rails—he informs me that about 4,000 tons have been taken. I suppose the amount changes. I should like to impress once more upon the committee the fact that all that was involved in the transaction was a guarantee to enable the producers of the rails to finance a transaction for which they would not be paid until the future. That is the story.

Mr. DUFF: I am sure we have had a very interesting discussion on a most important subject, not only this afternoon but during the last few days. I have been trying to make up my mind as to exactly what action I should take with regard to the very large guarantees that have been given for the different purposes outlined in the memorandum I have before me and representing the sum of $96,582,000. There is an old saying in Scotland that there should be no step bairns in the family, which means that everyone should be treated alike, and for the moment I am not complaining seriously either about the guarantee to the Algoma company or about the guarantee to the Dominion Steel and Coal company. I am not clear as to whether these guarantees were necessary in the interests either of the country or of the people living in the different districts concerned. With regard to the Dominion Steel and Coal company however I think I am right in saying that two orders were given. One order was given direct by the Canadian

National Railways to the company, and no question of having the amount guaranteed by the government was considered either when the order was given or for some time after. I do not know how good the Prime Minister's memory is, but if he will tax it he will recall, as I am sure my hon. friend from Cape Breton South will, the circumstances under which the second order was given. It was given, if I remember aright, some time either in May or June, 1933.

Mr. CASGRAIN: On the eve of an election.

Mr. DUFF: We do not do things like that in Nova Scotia. Perhaps my hon. friend from Cape Breton South had something to do with the premier of Nova Scotia at that time in getting that order. There is no doubt that the Canadian National Railways did not then need the rails; there was no demand on their part for this order and while I say to my hon. friend that it is quite possible and no doubt was possible that by the giving of this order many people in the city and vicinity of Sydney benefited, nevertheless there is no question in my mind that there was another motive in giving the second order and guaranteeing the amounts of both orders, and that was the forthcoming election in Nova Scotia.

Mr. MACDOUGALL: What about the steel workers who were out of work and starving there?

Mr. DUFF: My hon. friend did not quite catch all I said; perhaps my voice did not carry. I said that the steel workers did benefit by the order and I am not complaining very much about that. All I am saying is that the second order and the guarantee of both orders were done only when the Nova Scotia government was in extremis and it was necessary to give an order to the Dominion Steel and Coal Corporation so that the premier of Nova Scotia might be elected at that time in his own constituency.

In view of the fact that this government has guaranteed $1,100,000 to the banks for the cost of these rails manufactured by the Dominion Steel and Coal Company; in view of the fact that the government has guaranteed $660,000 to the Algoma Steel Company, and in view of the further fact that another railway enters into these guarantees —and I am not complaining very much about that; all I want is fair play and I hope the hon. member for Inverness, the hon. member for Cape Breton North-Victoria, the hon. member for Cape Breton South and the hon. member for Cumberland before we get through will see that fair play is given.

Mr. MACDOUGALL: Fair play for the steel workers.

Mr. DUFF: And also for other people whom I will mention in a moment.

In addition to those two amounts I have stated, another railway enters into this guarantee to the extent of not $1,100,000 for the steel workers in Sydney or $660,000 for the steel workers in Algoma, but $60,000,000. Again I say that at the moment I am not quite clear whether I should very strenuously object to this. The Prime Minister and his colleagues must have known the importance of the matter and I suppose they gave it very serious consideration before giving those guarantees to the banks.

Let me, however, go a little further. For instance, Manitoba gets a guarantee of $12,000,000 and Beauharnois one of $15,000,000. Hon. members will remember all the fuss we had in the house about Beauharnois, yet this government, after hon. members sitting opposite had made all that fuss, guaranteed $15,000,000 of the credit of the country to that terrible Beauharnois corporation.

Let me go a little further. The government are not even satisfied with guaranteeing money in Canada; they go outside the country. I am glad, of course, they went to my native land when they did so to make guarantees on the credit of Canada. They guaranteed the Newfoundland government the tidy sum of $625,000. Good, splendid business, no doubt, but nevertheless that large sum was guaranteed.

Let me go a little further. British Columbia gets a guarantee of $626,000; Manitoba one of nearly $6,000,000, and I notice included among these guarantees is an amount of $15,000,000, the heading being:

> Prime Minister's estimate of maximum amount of guarantee given chartered banks for advances to Canadian Cooperative Wheat Producers Limited.

My information is that this $15,000,000 is the estimate of loss at the moment on this transaction and not the guarantee to the banks at all. My information is that instead of $15,000,000, the banks have been guaranteed nearly $150,000,000 in connection with this transaction in each of the last four years.

In this country there are people other than steel workers and farmers. There are fishermen who are just as important as other people. What has the government done for our fishermen in the last three or four years? It is quite true that several delegations came to Ottawa in order to save the industry, but did the Prime Minister give a guarantee of $60,000,000 to the fishermen? Did he guarantee

the banks on their behalf? Oh, no. He could guarantee the western farmers or give them advances and take notes from them for binder twine, seed grain and everything else, but when the fishermen of Nova Scotia came here and wanted a small pittance to save a great industry, this government turned them down flat.

Mr. MACDOUGALL: What is the attitude of the hon. member on the beam trawler question?

Mr. DUFF: My hon. friend knows my attitude on the beam trawler question.

Mr. MACDOUGALL: Nobody does.

Mr. DUFF: He cannot draw a red herring across the trail. In spite of the fact that delegations from the great province of Nova Scotia came here in order to save an industry which is now practically on its last legs—and I doubt if it will ever recover—this government turned them down flat. In spite of the fact that at that time they were guaranteeing $60,000,000, $10,000,000 and $150,000,000 to the railways, wheat pools and so on, the government did not give the fishermen one dollar. This clause in this bill, entitled an act respecting relief measures, gives the government power to guarantee or advance moneys for certain purposes. I am not going to ask for $1,000,000 or $100,000, but I have on my desk a telegram from the mayor of Canso. My hon. friends opposite from Nova Scotia know what a prosperous town and community was Canso five or six years ago and they know perhaps nearly as well as I do the deplorable condition in which that town has been in the last year or two.

Mr. MACDOUGALL: As a result of Liberal policy.

Mr. DUFF: I hear my hon. friend interject "As a result of Liberal policy." I am not discussing politics at all and I have tried to keep away from it.

Some hon. MEMBERS: Oh, oh!

Mr. DUFF: I hope my reference to the fact that the Dominion Steel and Coal Corporation was given an order on the eve of an election does not lead my hon. friends to believe that I was talking politics. As, however, I said a moment ago, no matter who is to blame for the situation in Canso, it may be the beam trawler as my hon. friend suggests—

Mr. MACDOUGALL: Is it?

[Mr. Duff.]

Mr. DUFF: I am not saying it is; I say it may be. Probably the Prime Minister would like to get through by six o'clock, without entering on a discussion of steam trawlers. May I say that there is a deplorable condition existing in this town and vicinity, which is purely a fishing section of the province of Nova Scotia. I have a telegram from the mayor of Canso in which he says:

> Owing to present adverse condition majority of fishermen in Canso are unable to equip themselves for fishing. Therefore this council—

Meaning the town council.

> —urges the federal government under the proposed marketing and credit legislation to establish a fund of not less than—

You will be surprised when I mention the small amount.

> —$15,000 to be applied immediately through a system of loans to bona fide fishermen in Canso for the purchase and equipment of boats and fishing gear. As season is about to open immediate action is imperative. In this manner only can our fishermen once more become self-supporting.

I say to the Prime Minister that this matter can be very easily handled, especially in view of the fact that his government has been guaranteeing such large amounts to different institutions in this country. The matter can be handled in exactly the same way as were the amounts given for binder twine and seed grain. All the Prime Minister has to do is to tell the general manager of the Bank of Montreal—I mention the Bank of Montreal because they are the only bank having an agency in Canso—to-morrow morning that his government will guarantee $15,000 for the fishermen of Canso to buy equipment for their boats, and fishing gear. I am sure every fisherman will be glad to sign a note for the amount he requires. I am sorry to say that the financial position of the town of Canso is such that it cannot guarantee the bank. That is all the Prime Minister has to do, and he has done it before; there is a precedent for it. As he said in his remarks a short time ago when stating the reason he gave the guarantee for the Algoma Steel Corporation and the Dominion Steel and Coal Company, it is not only a matter of the employment directly given to the men in the rail mills; the money which comes into circulation from the rolling of these rails is spread over perhaps the whole of Cape Breton and other parts of Nova Scotia and the locality in which the mill is situated, and goes into the manufacturing centres as well. The Prime Minister knows enough about the fishing business to know that if the small sum

of $15,000 is guaranteed by his government to the Bank of Montreal, hundreds of thousands of dollars' worth of fish will be caught by the fishermen of Nova Scotia, with the result that these people and their families will be able to live during the summer, and a great many other people all over Nova Scotia, wholesale grocers, hardware men and manufacturers of all kinds of material, will benefit thereby. Therefore in view of the fact that this precedent has been established, that hundreds of millions have been guaranteed to different industries, I strongly recommend that this plea of mine for the fishermen of Canso be dealt with immediately so that these men can get their boats and gear ready to start fishing some time this month.

Mr. BENNETT: The non-political observations of the gallant admiral have filled us all with admiration, and I have extracted a modicum of enjoyment from them, as I usually do. The difficulty I see is this: I would suggest to him the desirability of having his fishermen friends communicate with the government and not with him. I merely suggest that.

Mr. DUFF: I happen to be the member for Antigonish-Guysborough, and that is why they communicate with me.

Mr. BENNETT: Well, I would suggest that they communicate with the government.

Mr. DUFF: They might be turned down.

Mr. BENNETT: I suggest that they let the Prime Minister know about it. They have chosen a most unfortunate medium of communication.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: They have not shown that perspicuity which is the usual characteristic of fishermen as I know them. Having selected the hon. member for Antigonish-Guysborough to whom to send the telegram they apparently did not attach much importance to it, or they would have sent it to someone who had power to deal with it. I would suggest that it is desirable that they send a telegram either to the Minister of Labour or the Prime Minister or communicate with the premier of their province. I always held in high regard the hon. member for Antigonish-Guysborough. I have read of Capton Kettle and of the exploits of many of the distinguished figures of fiction and of history, but I have never found anything that excelled the stories I have listened to from the hon. gentleman. But this afternoon he seems to have exceeded anything he ever tried before, because he has communicated to us that he has been the chosen, the elect of the fishermen themselves to present their claim at the bar of the House of Commons—where there is not one—for the purpose of making known their immediate wants. Now just let me say this: if the province of Nova Scotia will deal with the fishing difficulty exactly as Saskatchewan, Alberta and Manitoba dealt with their difficulties, namely start with the unit, that is with themselves, and from that to the provincial government, and have the provincial government ask the dominion government if they will assist them in discharging this very pleasant avocation, the most serious consideration will be given by this government to every suggestion that may be made in that regard. But that can be done only when we have the power to do it, and at present we have not any such power. Some ten days ago the power lapsed, and until such time as this parliament again confers the power we shall not be able to help the fishermen of Canso either through the government at Halifax or otherwise.

I do not desire to traverse the ground that has been so fully covered on previous occasions as to all these guarantees. I suppose one will have to discuss them many times hereafter and give explanations many, many times, but I think I can summarize all I have to say in a single sentence—

Mr. BROWN: Oh, no, no!

Mr. BENNETT: I am glad to note that my hon. friend from Lisgar is so pleased to listen to me that he hopes I shall not limit my statement to a single sentence. His anxiety to be instructed is so great and his craving for knowledge so sincere that I shall endeavour to satisfy that want which is always so apparent. May I merely indicate this, that if in the national interest the executive of the day decides to take certain action I do not think it serves any useful purpose to suggest that their motives are improper, because peradventure they have as high a conception of their duty as those who criticize them. If in the discharge of their duties they make mistakes, all people make mistakes, they are fallible; but they exercise their judgment to the best of their ability in the national interest and while they are here they will continue to do so. If the province of Nova Scotia in consequence of representations made to it by the fishermen of Canso request this government to deal with the fishermen of Canso as it dealt with those who required binder twine or seed grain or any other assistance, it will receive exactly

the same measure of consideration as was dealt out to those others. In the meantime I only hope the hon. gentleman will now give evidence of the faith that is in him by enabling us to get this legislation one step further advanced for that purpose.

Mr. DUFF: I am sure we have listened with interest to the jocular remarks of the Prime Minister on this very important and serious subject concerning the fishermen of Canso, and when the fishermen of Canso read of it in the Halifax papers or in their own paper to-morrow evening they will appreciate the way in which the Prime Minister has handled this question as presented by me. It may be true, of course, that I am an unfortunate medium through which to present this request to the government, but I may say that I received the telegram only to-day. I have not kept it in a pigeon hole; I have not been discourteous even to the government, and it was only after I received the telegram this morning that I realized that I would have an opportunity to-day to lay this matter before not only the Prime Minister, who likes to deal with these big questions himself, and his cabinet, but also before parliament. I consider, sir, that I have done only my plain duty this afternoon in reading this telegram from the mayor of Canso and taking up this matter with the government.

A few moments ago the right hon. gentleman spoke of insulting the intelligence of this committee. Let me say to the right hon. gentleman that he has insulted not only the intelligence of this committee but also my constituents in the town of Canso, and I resent it very much. I may be an unfortunate medium, as I said before, but there are several other unfortunate mediums in this house. I refer to my hon. friend from Cape Breton South. He was unfortunate, of course, in having to come to the Prime Minister to ask for help for his constituents, but from the guarantees which the government gave the different banks in and around Sydney it would seem to be proved conclusively that my right hon. friend the Prime Minister dealt with the matter, so far as the Dominion Steel and Coal Corporation was concerned, from a political point of view, and he is trying to deal with the matter I am bringing up this afternoon in the same way. The same thing applies to the chief whip of the Conservative party, the hon. member for West Algoma; he was also an unfortunate medium, but he had better luck. It may be all right for the Prime Minister to say that this matter should be taken up by the provincial government; let me say that the provincial government is doing something already, not directly for the fishermen of Canso but for the fishing industry in the town of Canso. I can say also, without boasting, that in order to help along the fishermen of Canso I purchased 1,200,000 pounds of fish in 1932 which I did not need and almost 1,000,000 pounds in 1933. I did not make a dollar on that fish; I bought it in order to help out the fishermen.

Mr. POWER: No guarantee?

Mr. DUFF: With no guarantee at all, and I got the money from the Bank of Montreal without even an endorsement. Now I say, Mr. Chairman, that in my opinion it is not quite fair for the Prime Minister to say he is going to wait until the provincial government approaches him in connection with this matter. Surely he did not wait for the provincial government to approach him when he gave a guarantee for $60,000,000 in connection with the Canadian Pacific. In a number of other instances he did not wait for the provincial governments to approach him, so why should he wait when I lay this matter before the government, the committee and the house? Therefore I say he is only putting off this matter. It is important to the people in my constituency but it is only a small matter to the government; it amounts only to a guarantee of $15,000, and in my opinion before the snow flies next fall the fishermen of Canso will have paid this money back. My suggestion is that notes be taken for the amount and placed in the Bank of Montreal, and all the government would have to do would be to guarantee that amount.

Mr. MACDOUGALL: How about the fishermen in Nova Scotia generally?

Mr. DUFF: I thought perhaps my hon. friend from Inverness would speak, and I did not want to butt into his territory; I thought he would want to talk about his own fishermen. I thought the hon. member for Cumberland would want to say something, and that the hon. member for Cape Breton South would advocate the condition of his fishermen when he was talking about the steel company. I am sure my hon. friend from Queens-Lunenburg will back me up in what I say, because he was a member of the delegation which waited upon this government two years ago asking for some assistance, which request was turned down. My hon. friend knows the condition of that great fleet which operated out of Lunenburg county ten or fifteen years ago. It is a shame and a disgrace that, because of the lack of a few dollars or a small

guarantee a few years ago, this great fleet has been reduced from one hundred and fifty to twenty-five sail. I say this is no time for delay. This is a serious matter. These men want to get to work, to earn some money for their wives and children, and I say to my right hon. friend: Never mind the red tape; cut the red tape, and arrange with the bank that the $15,000 or whatever is necessary may be forthcoming to those fishermen so they may earn their living.

Mr. BENNETT: I trust the hon. gentleman knows that this government has no power to give a guarantee. That power lapsed at midnight on March 31.

Mr. HANBURY: That is a quibble.

Mr. BENNETT: It is not a quibble, and I ask the hon. gentleman to withdraw that remark. That is the fact; we have no power to give a guarantee for a five dollar bill.

Mr. VENIOT: You will have, when this bill goes through.

Mr. BENNETT: Quite so.

Mr. DUFF: Will you give a guarantee then, please?

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: I will answer that too. The hon. member for West Lambton very properly pointed out that there has been withdrawn from the bill the power to make guarantees to private enterprises, and no such power is conferred upon this government with respect to any body except a province. When this bill is enacted and the provincial legislature asks for such a guarantee, it may become the subject matter of the terms of an agreement, just as binder twine and seed grain are dealt with in the western provinces. The government does not guarantee seed grain for the farmer, nor does it guarantee him in connection with binder twine, directly. This is what it does: it deals with the province that passes the legislation. The words to which I have referred were taken out of this statute this year because of the criticism offered with respect to them. To-night there is no power in the executive government of Canada to give a guarantee to the Bank of Montreal or any other bank for $15,000 or for any other sum with respect to fishermen or anyone else except through a provincial government.

Mr. NEILL: I have much pleasure in supporting the plea presented by my hon. friend from Antigonish-Guysborough on behalf of those fishermen who have suffered the loss of their gear. In doing so I am heaping coals of fire upon his head, because I remember the attitude of the Nova Scotians a few days ago when I was pleading for a fair deal for the British Columbia fishermen in the allocation of a certain grant.

The Prime Minister has said, and quite properly, that at the present moment he has no funds and no authority with which to make this grant, but I suggest that he has a place from which he can get the necessary funds; I refer to the amount of $160,000 already voted for the development of deep sea fisheries in Canada. That is a sum which is voted every year, and it is available now.

Mr. BENNETT: Only two-twelfths of that sum is available, and that is for the maritime provinces.

Mr. NEILL: This matter is in the maritimes and the Prime Minister can use the two-twelfths available. While I am not good at mental arithmetic I think two-twelfths of $160,000 would more than provide the amount for which my hon. friend is asking. I make this further point, because it may be said by hon. members from Nova Scotia that this money should be spent as it has been spent in the past, in miserable little handouts of a dollar a ton to this boat or $2.75 to that fisherman. Several reports have been made in connection with the maritime fishermen; in fact they get altogether too much attention as compared to those in British Columbia. The last report, I think, was made by a firm called Cockfield, Brown and Company, or some such name, and if I remember rightly it cost the government of Canada $10,000, which was about $9,000 more than it was worth. One of the recommendations it contained was that this $160,000 granted annually, which has been frittered away in the manner I have just indicated, as they admitted, should be used in a way more calculated to promote the interests of the fishermen. Here is a case where that money could be profitably used; the Prime Minister says he has not the money and has not the authority to guarantee it, but under that act of 1882 he has the authority, the power and the cash available to-day. By using it in this way he would be doing some real, practical good to the fishermen of Nova Scotia—I am asking for nothing for the fishermen of British Columbia at the moment—instead of having the money frittered away as it has been in the past.

Mr. EULER: I have no knowledge whatever of the merits of the question which has been brought up by the hon. member for

Antigonish-Guysborough, but after listening to the Prime Minister reply to the request of the hon. member I venture to say that he has made statements, when he reads them to-morrow in Hansard, he will very much regret.

Mr. BENNETT: Thank you.

Mr. EULER: Surely he has not laid down this principle—if one may so describe that which he has said to-day—that the member for a constituency has no right to make representations in parliament and to the Prime Minister as to the grievances of his constituents.

Mr. BENNETT: I did not make any such statement.

Mr. EULER: I gathered that, most distinctly.

Mr. BENNETT: You usually do gather distinctly, but that is not what I said.

Mr. EULER: I did not interrupt my right hon. friend. If I am wrong I am ready to receive any explanation he may wish to make. But I have this impression of what the Prime Minister said in reply to the hon. member for Antigonish-Guysborough, namely that he was the unfortunate selection—unhappy medium if you like—to represent the views of his constituents.

Mr. BENNETT: I did not say that.

Mr. EULER: And, if no one else does it, I wish to protest against the idea that any hon. member of this House of Commons cannot make any representation he may wish, at any time, with regard to his constituents. If I have misinterpreted what the Prime Minister said, I should like to have his explanation.

Mr. BENNETT: Not only does the hon. member entirely misinterpret what I said, but if he will take the trouble to read in Hansard what I said, he will find that what I said I shall be glad to repeat.

Mr. CASGRAIN: I associate myself with the remarks which have been made by the hon. member for Antigonish-Guysborough in connection with his request for the fishermen in his constituency. I did not receive any telegram, myself, from the people in my district asking for assistance or support. I, also, may be the unhappy intermediary or medium to lay requests at the door of the government. I do know however that I have had occasion now and then to lay requests before the government for certain public works to be done in my county, and that those requests have on some occasions been turned down

apparently on account of the fact that I was asking for far too much. I feel, as does the hon. member for North Waterloo, that one cannot but be a little apprehensive of the remarks which have been made by the Prime Minister; he left the impression that when hon. members on this side of the house make representations or ask for something from the government they are going to be told that they are unhappy mediums, in a representative capacity, and not the proper people to bring requests to the floor of this parliament from the constituents who elected them to act as their representatives, and to deal with the matters appertaining to their respective counties or districts.

There is another matter I should like to stress. I know that certain requests were to be made to this government and petitions to be signed. Apparently a certain man in my constituency was to be in charge of the patronage, and a petition was sent to him for presentation to the government. I was asked to sign it, and refused to do so for the simple reason, as described by the hon. members for North Waterloo and Antigonish-Guysborough, that the elected member of the House of Commons, whether he be on the opposition side, the government side, or belong to an independent group, is as much a member as is any other member in the house, and is entitled, when he receives a request, to lay it before the government, before hon. members in the house, before the whole country, before any minister of the crown or any other government official.

Mr. McINTOSH: And also ask any question he may wish.

Mr. CASGRAIN: Yes, and ask any question pertaining to a matter before the house. I did not continue the discussion I began this afternoon because I knew some other hon. members wished to speak. I must say, however, that I did not like what the Prime Minister said when I was speaking about the stabilization fund. If I remember correctly he said that I had an ingenious way of delaying matters.

Mr. BENNETT: Hear, hear.

Mr. CASGRAIN: We are not. Mr. Chairman, I wish to protest once more against that statement. If we have not the right to put questions, and to exercise our judgment in asking reasons why expenditures have been made and guarantees given, I should like to know why we have not such right. We have asked the Minister of Labour and the Prime Minister for a detailed ex-

planation as to why the guarantees were given. When we present certain requests to the house we are told that we are the unhappy mediums, and that we are not the proper persons to act between our constituents and the government.

Now, Mr. Chairman, the Prime Minister has said that I was ingenious in delaying matters. Last night we did not delay matters. Who delayed last night? We were ready to vote on the amendment, but at that time the Minister of Labour delayed his own bill, and spoke until eleven o'clock. I say that it is most unfair for hon. members on this side of the house to be told that we are simply delaying matters. The government have made a mess of affairs, even with the powers and authorities with which they have been clothed for the last three years. That fact is brought very forcibly to our notice every time we turn to the estimates.

I suggest that I am entitled, as is the hon. member for Antigonish-Guysborough and the hon. member for North Waterloo, or in fact any other hon. member, to appear in this chamber and make statements. To-morrow I shall have one or two further questions to ask in connection with these matters, and other hon. members on this side of the house will have questions to put.

Mr. GUTHRIE: There is no doubt about it.

Mr. CASGRAIN: There will be a few discussions, as there have been to-day. When the bill becomes law we will be able to say to our constituents and to the people at large that we have not shirked our duty, and that we have been able to show where, in the administration of the laws the government has enacted, it has failed.

Progress reported.

At six o'clock the house adjourned without question put pursuant to standing order.

Thursday, April 12, 1934

The house met at three o'clock.

DEATH OF LORD ABERDEEN

ACKNOWLEDGMENT BY LADY ABERDEEN OF MESSAGE OF SYMPATHY FROM HOUSE OF COMMONS

Mr. SPEAKER: I have a communication to make to the house. Pursuant to your wishes I conveyed to Lady Aberdeen the sympathy of the house expressed in this chamber on the passing of her husband, the late Lord Aberdeen, former Governor General of Canada, and have received from her the following reply:

House of Cromar,
Tarland, Aberdeenshire,
April 3, 1934.

Dear Mr. Speaker:

I beg you to accept yourself and to convey to the members of the Canadian House of Commons the most grateful thanks of my family and myself for the message of understanding sympathy which you have been good enough to convey to me on their behalf.

We are very sensible of the high honour paid to my late husband by the Prime Minister and the leader of the opposition and the leader of the Progressive party, all speaking so appreciatively of Lord Aberdeen's character and career, and I only wish he could himself have read the report of their speeches and heard of the unanimous resolution passed. He had a very deep love for Canada and it would indeed have been a joy to him to know that he was thus remembered by the House of Commons.

I can only beg you to believe that Lord Aberdeen's family and friends do most keenly appreciate this signal mark of honour and affection.

Yours very sincerely,
Ishbel Aberdeen and Temair.

MISCELLANEOUS PRIVATE BILLS

Fifth report of the select standing committee on miscellaneous private bills.—Mr. Stinson.

PETITION

On the orders of the day:

Mr. EUSEBE ROBERGE (Mégantic) (Translation): Mr. Speaker, I beg to lay on the table of the house a petition from the municipal council of St. Pierre-Baptiste, county of Megantic, protesting against a tax of 20 cents being levied on leaf tobacco.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

BEAUHARNOIS CANAL

Mr. GARLAND (Bow River):

1. Is the south bank of the Beauharnois canal showing signs of erosion?
2. What will be the cost of the reconstruction of this bank?
3. Is the government undertaking any inquiry into the Jacques Cartier Company which last

year was said to control approximately one million shares of Beauharnois Power common stock?

4. If so, will such report be tabled?

Mr. MANION: The answer to Nos. 1 and 2 of this question is no. The third and fourth questions the hon. gentleman might perhaps submit as a separate pair of questions, because they deal with another side of the matter.

Mr. SPEAKER: The question will be redrafted.

STABILIZATION FUND

Mr. ILSLEY:

1. How much money was paid out of the agricultural stabilization fund, established in 1933, to exporters to Great Britain and Northern Ireland?

2. How much money was paid out of such fund to the exporters of each of the approved commodities mentioned in clause 2 of the regulations respecting such fund, approved by order in council of June 2, 1933, P.C. 973?

3. On what date in 1933 did the pound sterling become worth $4.60 or more in Canadian money?

4. During what period in 1933 were there exports from Canada by shippers who received payments out of such fund in respect of such exports?

Mr. RHODES:

1. $36,040.18.

2.

Cheese	$ 5,451 85
Bacon and hams	24,021 03
Cattle	3,988 54
Eggs	409 80
Canned lobsters	2,010 57
Canned salmon	158 39

3. June 20, 1933.

4. Exports on or after May 1, 1933, in respect of which sterling proceeds were transmitted on or after that date at less than the stabilized rate, were eligible.

CANADA, 1934

On the orders of the day:

Hon. H. H. STEVENS (Minister of Trade and Commerce): May I reply to a query yesterday by the hon. member for Weyburn (Mr. Young). The explanation of the point raised is this. When returns are called for affecting more than one department, the two departments or more affected send their replies to the Secretary of State and then they are tabled. In this instance, the Secretary of State tabled the reply, but the figures were of two departments, and all that is necessary is to add the two together. I will accommodate my hon. friend by doing that now. Bureau of Statistics: 13,000 in English and 4,500 in French; King's Printer, 2,300 in English and 60 in French, or a total of 15,300 in English and 4,560 in French. Those retained by the King's Printer are for sale upon demand.

OTTAWA AGREEMENTS

On the orders of the day:

Mr. F. G. SANDERSON (South Perth): I wish to direct a question to the Prime Minister. I hold in my hand a dispatch published in the Toronto Mail and Empire under date April 9. Part of it is from London, England, dated April 8, and part from Ottawa under the same date. The heading is:

Imperial pacts causing concern. British leaders hint privileges may be curtailed.

I do not suppose Your Honour would permit me to read the whole dispatch.

An hon. MEMBER: We have all read it.

Mr. SANDERSON: With the permission of the Speaker—

Mr. SPEAKER: Will the hon. member proceed with his question.

Mr. SANDERSON: The statement from London, under date April 8, reads in part:

Both Stanley Baldwin and Walter Elliot, Minister of Agriculture, have recently hinted the privileges the dominions enjoy in the British market may be curtailed.

One paragraph in the dispatch from Ottawa under the same date reads:

Some changes have already been made in the trade agreement by mutual consent and it is quite possible that further cooperation along that line may be necessary.

My question is this: What changes have been made by mutual consent in the agreements of the Ottawa conference?

Right Hon. R. B. BENNETT (Prime Minister): The Ottawa agreements provided for the variation of the terms of contract by mutual consent, as is usual in all cases of that character. The changes that were agreed upon were indicated at the last budget; others doubtless will be indicated at the next budget. Any changes that have been made have been indicated to the house, except possibly some questions of administration, which are only matters that arise from day to day. But any changes are matters that have been communicated to the house through the appropriate and proper channels. Perhaps hon. gentlemen will recall that with respect to a part of the agreement it continued for a period of three years only; the Australian agreement continues for two years, that is until 1934,

and a portion of our agreement terminates in 1935. It is that, presumably, to which reference was made and having regard to the attitude taken with respect to the agreements by the hon. gentleman and those who surround him, anything that would bring about their abrogation or termination would, I suppose, fill him with the greatest joy.

Mr. SANDERSON: On a question of privilege I object to the remarks of the Prime Minister. He has no right to make them. He has no right to impute to me or any other hon. member what he tried to impute and I submit that he should withdraw the remarks.

Mr. BENNETT: I was referring to the recorded vote of the hon. gentleman with respect to the Ottawa agreements.

Mr. McINTOSH: How about the right hon. gentleman's own vote?

INTEREST RATES

On the orders of the day:

Mr. HUMPHREY MITCHELL (East Hamilton): In the Mail and Empire of yesterday there is a heading in big block letters:

Manion predicts interest rate cut on loans, mortgages.

Then in the press dispatch I find the following:

Hon. R. J. Manion, Minister of Railways, told South Oxford electors here to-night, "I may say that I believe in a short time this reduction will be an accomplished fact."

I would like to ask the Prime Minister whether he has a statement to make to the house in connection with that declaration of the minister.

Right Hon. R. B. BENNETT (Prime Minister): The predictions of any member of the administration are predictions which he makes based upon his general idea of what the government desires to do.

Mr. MACKENZIE (Vancouver): What about collective cabinet responsibility?

Mr. BENNETT: Not with respect to predictions.

Mr. MACKENZIE (Vancouver): We knew that long ago.

Mr. BENNETT: The hon. member should know. He was a member of a government once for a short time and tried that. That is all that has to be said with respect to that.

PASSAMAQUODDY BAY DAM

On the orders of the day:

Hon. P. J. VENIOT (Gloucester): I wish to direct a question to the Minister of Marine and Acting Minister of Fisheries (Mr. Duranleau). It may be that the report to which I am going to refer was tabled while I was ill for a day or two. I have not, however, seen the report. I see by the press that a report on Passamaquoddy bay investigation in connection with the construction of the dam there has been submitted to the United States congress. Has the minister received any report from the commission and if he has received it, will he table it?

Hon. ALFRED DURANLEAU (Minister of Marine): I am not aware of any report made to my department to date, but I shall make inquiries.

Mr. VENIOT: The report has been made to the United States congress and a statement to that effect has appeared in the press. I understand the report condemns the construction of the dam. In the interest of fisheries in Passamaquoddy bay and bay of Fundy, we should have some report or a copy of that report submitted to the parliament of Canada.

Right Hon. R. B. BENNETT (Prime Minister): My memory is that the Department of External Affairs tabled a copy of the report some days ago.

Mr. VENIOT: Could the minister tell me under what heading that report was tabled?

Mr. BENNETT: I was about to say to the hon. gentleman that the report is being printed. I recall now that it was not in printed form. The French translation has not been completed, but as soon as that has been done the report will be printed and laid on the table.

TOLLS ON MONTREAL BRIDGES

On the orders of the day:

Mr. VINCENT DUPUIS (Laprairie-Napierville) (Translation): Mr. Speaker, a few days ago, a delegation comprising farmers and other citizens from the surroundings of Montreal, interviewed the hon. Minister of Marine (Mr. Duranleau) in order to request him to reduce the tolls on the Victoria and Montreal Harbour bridges. I was invited to join this

delegation but owing to illness, I was prevented doing so. I wish to inquire of the hon. minister, who no doubt has taken the matter into consideration, whether a favourable reply can be expected soon in connection with this request and the resolutions adopted by the various counties interested.

Hon. ALFRED DURANLEAU (Minister of Marine) (Translation): Mr. Speaker, on Saturday last, I think, quite a representative delegation comprising citizens of the south shore, mayors and councillors of the various municipalities, met at the government's offices, in Montreal. I had the pleasure of receiving this delegation and listening to their request. I wish to state to the hon. member that this question does not only concern my department but also the Department of Railways and Canals. I promised that their request would be considered by the government. I have already communicated with the other department interested and I trust that a reply will soon be forthcoming.

COMMUTERS CANADA-UNITED STATES

On the orders of the day:

Mr. J. E. MICHAUD (Restigouche-Madawaska): I would like to ask the government to inform us with regard to the attitude they have taken or the representations they have made in view of the legislation being promoted in the United States congress to prevent Canadians seeking employment across the border, and whether, if the United States government persists in its attitude, retaliatory measures will be taken by Canada.

Right Hon. R. B. BENNETT (Prime Minister): The matter to which the hon. member for Restigouche-Madawaska refers is one which has been brought to the attention of the government from many sources. For instance, the hon. member for York-Sunbury (Mr. Hanson) at present beside me has been pressing the matter upon our attention and members for the Essex constituencies as well as those concerned who live in western constituencies bordering on the United States have also been bringing the matter to our notice. The legislation that has been introduced into congress is similar in terms to legislation that has frequently been introduced there. It has not, however, been enacted heretofore. Whether the present legislation will or will not be enacted is something about which it is impossible for the government to make a statement. There are large numbers of people living in Canada who work in the United States and likewise there are large numbers of people who live in the United States who work in Canada. Heretofore the spirit of good neighbourliness that has characterized the relations between the two countries and to which the president made reference a few days ago has enabled those who live in Canada to cross the border from day to day to work in the United States and those who live in the United States to cross the border from day to day to work in Canada. The government has, of course, taken notice of the legislation and through the appropriate channels made to the United States authorities such representations as were thought desirable. It will be time enough to determine what action should be taken by Canada should the legislation to which the hon. member refers become law. I can make no further statement than I have just made with respect to the matter except to assure the hon. member and all those who are concerned, that the government is fully seized of the seriousness of the situation and has made to the United States government as strong representations as are possible under the circumstances.

Hon. P. J. VENIOT (Gloucester): With reference to the matter of Canadians employed on the American side of the international boundary and Americans employed on the Canadian side, might I ask the Prime Minister if it is not a fact that under the Ashburton treaty there is a special arrangement relating to residents of the St. John river district?

Mr. BENNETT: Whether it was under that treaty I am not prepared to say at the moment, but the matter was a subject of special discussion. I shall ascertain in which document it is and make a statement to the hon. gentleman.

Mr. VENIOT: I think it is 1814.

UNEMPLOYMENT AND FARM RELIEF

BILL IN TERMS GENERALLY OF RELIEF ACT, 1933, WITH PROVISION RESPECTING DELAYED RELIEF ACCOUNTS

The house resumed from Wednesday, April 11, consideration in committee of Bill No. 42, respecting relief measures—Mr. Gordon—Mr. LaVergne in the chair.

Mr. POULIOT: Mr. Chairman, in to-day's papers there is a dispatch from Washington dated April 11, entitled:

Arthur Cutten Facing Charge of Conspiracy Alleged by United States Secretary of Agriculture to Have Made False Reports to Manipulate Grain Prices

That dispatch is very interesting. It refers to wheat business in the United States. It

says that according to the American authorities the said Cutten:

"conspired and colluded" with firms and persons on the Chicago board of trade "to conceal his trading and position in the market" and to so "make inaccurate, incorrect and false reports of his position in the market."

I shall ask the government first, if that Arthur Cutten is the same Arthur Cutten whose name appears in Hansard of February 26, 1934, at page 933 in the debate on the bill of the Small Loan Company of Canada and is the man referred to by the hon. Minister of Justice as head of the well known Cutten family of Guelph. My second question is, did the said Cutten do anything in Canada of the kind complained of by the American government according to the dispatch I have just quoted?

Mr. BENNETT: I am sure it must be within the sense of this committee that these questions have no relevance to this relief act. I desire to place myself entirely in the hands of the committee in endeavouring to assist in the passing of this legislation, but if one is to be confronted with questions of this kind is it possible to conduct legislation at all? The matter mentioned by the hon. gentleman is one which can easily be considered when the house is in committee on the private bill to which reference has been made, but I cannot see its relevance to this bill, and I ask you so to rule.

Mr. POULIOT: Mr. Chairman, I shall not insist any more about it except to say that the man was given a certificate of virtue—

The CHAIRMAN: Order. A point of order has been taken by the Prime Minister that the hon. gentleman should not discuss this question at this time.

Mr. POULIOT: And the chair has not given judgment.

The CHAIRMAN: I thought the hon. gentleman was speaking to the point of order. On the question now raised I shall have to rule him out of order.

Mr. POULIOT: Before you give your ruling permit me to explain. That man, according to the press, has been manipulating grain markets in Chicago, and I wondered if he had been doing the same thing in Canada when the government was guaranteeing wheat loans. This is most relevant to the matter we are now discussing, because those guarantees were given under the blank cheque legislation. There is an obvious connection between the manipulation of grain by Cutten in Chicago and what might have been done here. We do not know what has been done here. I do not know, no one knows—

The CHAIRMAN: Order. Does the hon. gentleman speak of his personal knowledge or of what he has read?

Mr. POULIOT: Well, most of our knowledge comes from the press, because the government does not say much. If we had not the press we would be very poorly informed, although I am very thankful to the right hon. Prime Minister for having tabled the Amulree report the other day.

The CHAIRMAN: I understood the hon. member was referring to the American press.

Mr. POULIOT: I am not making any distinction between the Canadian and the American press. I am discussing the blank cheque legislation. Remember, Mr. Chairman, we are all glad to see you in the chair. I shall tell you why. It is because you have a real sense of humour. You have so much of it you could give a little of it to the government. But now I see the Prime Minister is smiling. When he smiles he is an altogether different man. When he frowns his eyebrows—

Some hon. MEMBERS: Order.

Mr. POULIOT: The shouts of order remind me of something that comes to us from across the boundary, of negro spirituals. The preacher starts to say something, then he gets enthused and the audience shouts the louder with him and then someone faints or drops outside the church and they restore him with buckets of water. That is what should be done to those who are so noisy on the other side of the house.

But, sir, this is a serious business. The government have been trading in wheat and steel, and so on. I wonder why the government offices are not transferred to the market square. There are two or three days in the week for marketing. I would like to deal with those gentlemen, I wonder if they would be disposed to give credit to an individual, I would like to be as well connected with them as the Algoma Steel Corporation, the Canadian Pacific Railway and Mr. McFarland. However, leaving negro spirituals, let us come to the blank cheque. What I do not understand in that legislation is the mystery of it. Everything is done in the fashion of the magic rope in India. The fakir burns some wood, there is a cloud of smoke, then the rope hangs straight up in the cloud and he does all sorts of magic in that cloud of smoke.

Will the government follow the wonderful example of the Hindoo fakir. Some small

guarantees have been given by the government, in the name of the country at large, to the steel corporations in Ontario and Nova Scotia as well as to other corporations, but this is what I find most extraordinary. We heard a great deal from hon. gentlemen opposite with regard to Beauharnois; they found it a very bad proposition, and they destroyed the credit of that corporation. Then, after having done so, they supplied it with crutches to the extent of $15,000,000, by way of guarantee.

Unfortunately I have not the gift of ubiquity; yesterday I was unable to be in the house because I was attending the meetings of a committee, so I did not have an opportunity of listening to the debate. On reading Hansard this morning, however, I was delighted to see how hon. gentlemen on this side of the house pointed out the absurdity of this legislation. I should like to compliment all who took part in that debate, but I would particularly mention my good friend from Antigonish-Guysborough. First he spoke with a smile; then he brought facts to the house to which there was no answer. It is sad not to receive an answer when such important matters are discussed, but after reading what took place yesterday may I say that I fully agree with the well founded remarks made yesterday by the hon. member for Antigonish-Guysborough who asked that the government guarantee loans to the fishermen of his constituency to the extent of $15,000. The right hon. Prime Minister thought the hon. member was not perhaps a happy medium. Medium is another word that is used in connection with spiritualism, but it is just a word, like protoplasm. A member is not a magician; a member cannot make bad things look good, as the government attempts to do. It is our duty to secure from the government information which we supply to our constituents, and that information must be accurate. The member elected from each constituency is the connecting link between that constituency and the government. Very often the suggestions that come from this side of the house are disregarded by the government; the government have that power, but when they take the trouble to consider the real needs of the nation they are forced to admit that the members on this side of the house, who do not pretend to be infallible, are earnest in their desire to promote the welfare of our country.

I am not surprised, sir, that my hon. friend from Antigonish-Guysborough was unsuccessful in presenting the request of his electors to the government, because I know that some requests that have been made to the federal government by the provincial government of Quebec have been disregarded. The other day I mentioned the case of the poor settlers of Saint-Emile d'Auclair, Saint-Elzear and Packington. An inspector was sent to those parishes by the department, and he made a report saying that those people should not have the relief works asked for by the Quebec government. After a further investigation, however, and after the parish priest had come to the government with tears in his eyes and described the real condition of those poor people, the eyes and heart of the Minister of Labour were opened. In other places, however, the government did not reconsider its decision and did not approve of the relief works which had been asked for by the Quebec government. What was the explanation given by the government? He stated that in connection with the last two parishes they had received a list of the unemployed in a letter which bore no date or signature and which did not contain a covering letter, but that the department had a confidential report from the inspector in this connection. If the report was confidential in regard to the members of the opposition it was not in any way confidential in regard to the minister, because it came to him from one of his employees. The minister should have looked into the matter; he should have paid attention to it. He should have sent reliable men as inspectors, who would give him a true picture of the situation. I have received tens and hundreds of letters from those people complaining of their dire distress, and I wonder how it is possible for the poor people of this country, who have not an opportunity to present their case to the government, to be heard by hon. gentlemen opposite.

I have often told the government that they are wrongly informed, that they obtain their information from interested parties. Those who could tell the true facts are not those who flatter; they are those who stand silent. Those who come to the government are those who flatter in an endeavour to obtain something from the government, and they paint false pictures of the conditions that exist. They deceive the government for their own benefit. This is being done now, and this is why I complain so much. I regret that when we do our duty as defenders of the rights and privileges of these poor people we can get no answer from the government. The report is called confidential, and it must be a contagious confidence which spreads like a disease because every paper filed next to such confidential report of an inspector is also

called confidential. The word "confidential" is spread through the whole file, and it is impossible to get any information. I have said very often in this House of Commons, and I shall now repeat, that I will not accuse any hon. member of the government of having a stone where in the normal human body we find a heart. I believe they are generous. They are good natured and average men. I regret however that they are wrongly informed, and at times I am sure they are afraid to face the facts. They act like a man who is condemned to death because of illness, a man who is afraid to see his doctor for fear he will be told, "My friend draw up your will; you will die within a few hours." The government is afraid of that and they will not listen to those who are their good friends and who are willing to tell them when they are mistaken, and give them a chance to change their policy.

The stand I now take is not taken selfishly, but is taken on behalf of my people. Unfortunately however those who take that stand are found only on this side of the house. I regret very much that the case of those settlers has not been considered by the government.

Mr. SPENCE: Oh, oh.

Mr. POULIOT: The hon. member from Toronto is rich.

Mr. SPENCE: You claim to be perfect, yourself.

Mr. POULIOT: My hon. friend is rich; he is well off. Everyone knows that, and I do not blame him for it. The unfortunate fact is, however, that he is so rich he does not understand other people being poor. He knows nothing about the settlers I have described time and again in this house.

Mr. GOTT: Very well off, intellectually.

Mr. POULIOT: I see some hon. members opposite laughing when I describe these cases. When I return to my constituency I will tell the people who have no shoes, no warm clothes to wear in the winter time, no food, only shelter rain and snow can get through, that when I was describing their very sad cases to the government I saw some gentlemen who are not suffering in the same way, men who are wealthy and supporters of the government, laughing at what I was saying when I took opportunity to defend them in the Canadian parliament.

Mr. GOTT: They won't believe it.

Mr. POULIOT: Sir, I am here to do my duty. When the government does not answer there is always some heckler who interrupts anyone who is speaking earnestly and for the public good. I speak because I believe it to be my duty, and at great sacrifice. This is no joke. Every one of us takes pains to study in order that he may learn something. Some are born wrapped in an encyclopaedia of general knowledge—which could be called otherwise, but are not wise at all. I will admit that it is useless to speak, but I have said what I wanted to say, and when I see the government guaranteeing millions of dollars to huge companies, private enterprises, steel companies, Newfoundland and so on, I feel I must speak for the settlers in my constituency as the hon. member for Antigonish-Guysborough spoke for the fishermen in his. These people live far from Ottawa, and they have no means with which to travel here and to expose their troubles to the government. They cannot get the ear of the government because of the noise made by those who do not understand their troubles, their miseries and their distress.

I shall not insist upon an answer to what I have said about the settlers, because I know I shall receive none. However as the Prime Minister was good enough to supply me with a copy of the Amulree report I shall ask him if the Canadian government has been released from the guarantees given to Newfoundland, and if following that release Canada will have anything to say in the future for the guarantee which has been given to the banks on behalf of Newfoundland. No answer?

The CHAIRMAN: Shall the amendment carry?

Mr. CASGRAIN: We are waiting for an answer.

Mr. HANSON (York-Sunbury): There is no answer.

The CHAIRMAN: The question is on the amendment; shall the amendment carry?

Mr. DUFF: No.

Some hon. MEMBERS: Carried.

Some hon. MEMBERS: No, no.

Mr. HANSON (York-Sunbury): Go on.

Mr. DUFF: Mr. Chairman, may I ask who is running this government; is it the hon. member for York-Sunbury or the ministers who occupy the front benches? If it is the ministers I suggest that the hon. member ought to keep quiet. He may not be serious but hon. members on this side of the house are discussing a very serious matter, and I must object to his remarks.

Mr. SPENCE: Don't be too serious.

Mr. DUFF: I am not. Mr. Chairman, I wish to congratulate you upon the fact that your health is so improved that you are able to resume your duties as chairman of this committee. I am sure I appreciate the courtesy with which you dealt with the first part of the remarks delivered by the hon. member for Témiscouata, in which he referred to a gentleman named Cutten whose name appeared in to-day's press. It may be possible, sir, that in the past few months you have not been able to follow discussions which took place within the precincts of this House of Commons. It seems to me that in view of those discussions and in view of the fact that a very important witness was brought before a committee of this house to deal with guarantees to the farm relief authorities, the hon. member for Témiscouata was quite right in bringing the matter before the committee. As far as I am concerned I have no objection to Mr. Cutten selling either physical wheat, margins or futures, or wheat known by any other term, and if he made a great deal of money by selling that wheat to somebody, jolly good luck to him as far as I am concerned. But I do say that in view of the fact that this government guaranteed a very large sum of money the amount of which we have not been able to obtain either in this committee or in another committee of this house—

Mr. BENNETT: Mr. Chairman, I desire to point out to this committee that there are rules governing debate in this house, noted mostly perhaps for not being observed, but one of them is this, that a matter being before a committee of this house is not a subject for discussion in this committee or in this house until that committee has made its report. The hon. member is now proceeding to discuss what took place in a committee and is referring to the discussions that took place there.

The CHAIRMAN: I understood that the committee had made its report.

Mr. BENNETT: No, the committee is still sitting—the banking and commerce committee.

Mr. CASGRAIN: We have disposed of that matter.

Mr. BENNETT: Excuse me. None of those matters has been disposed of. They all stand in the same position. There is no report from the banking and commerce committee, and if we are to pursue this course the rules might as well not exist.

Mr. DUFF: On the point of order raised by the Prime Minister, Mr. Chairman, I agree the rules should be observed, and have tried to keep myself within the rules of the house in this discussion. Perhaps we all break the rules sometimes to a greater or less degree. The Prime Minister's remark reminds me of the answer that Priscilla made to John Alden, "Speak for yourself, John." I have endeavoured to keep within the rules of this house so far as I possibly could, and in referring to this matter I was very careful to keep as far away as possible, in my references to what was being done in another part of this house, from breaking the rules. But I think I may be allowed to say that certain facts have been brought out in a committee of this house by one important witness who appeared before it. The public has the evidence given before that committee, and I therefore claim it is no longer a private matter because every man in Canada can get a copy of that evidence and see exactly what was said by that witness. Therefore I submit to you, sir, as the Deputy Speaker of this house and the chairman of this committee, that I am quite within my rights in discussing this matter so long as I do not transgress the rules of the house.

Mr. BENNETT: I think we might as well have the matter disposed of, Mr. Chairman. The rule is that matters that are referred to committees to be dealt with shall not be discussed in this chamber until the report of the committee has been made, and on that report discussion can take place. That is the rule. The other day one hon. gentleman observed that he was getting very near the edge of breaking the rule and he reformed his speech accordingly. There is no doubt what the rule has been, and if we have rules here for the conduct of debate in this chamber we should follow them. There is the other ground of the irrelevancy of the discussion that is taking place to the relief measure before us, and if hon. members desire to discuss matters so wholly extraneous I might as well say now what I was going to say presently, that it is quite obvious that the purpose of the opposition is not to proceed with this measure during the absence of the leader of the opposition. The discussions that have taken place and the speeches that have been made have latterly been a repetition, and with no reference to the clause under consideration at all. If that is the course which the opposition desires to pursue I shall follow the other course and adjourn the discussion until such time as the leader of the opposition returns, and thus save several thousands of dollars of public money per day by taking up other matters

of public business. It is quite obvious that an effort is being made to prevent this matter being dealt with at all. This is the eighth day I think on which this matter has been discussed, and people who have nothing to do with it, newspapers and others, are beginning to remark upon what this discussion means. Rather than see public money wasted I am prepared to move the committee up and afford the opportunity for estimates and other business of the house to be proceeded with. I think that would be preferable to having a repetition of this and other matters that have been discussed put on Hansard.

Mr. DUFF: It does not make any difference who the leader is on this side because every one of us over here is equal, which is more than can be said for some of my hon. friends opposite.

Mr. GOTT: I would ask my hon. friend if he compares himself with the hon. member for Temiscouata.

Mr. DUFF: In answer to the hon. member for South Essex (Mr. Gott), may I pay him the compliment of saying that in some respects I compare myself even with him.

Mr. GOTT: Not in all respects.

Mr. DUFF: No. On the point of order raised by the Prime Minister, and before he moves that the committee rise for the reason given, which of course he should not have given, because in the first place he does not know what is in the mind of the leader of the opposition or in the minds of members on this side of the house or whether we have had any instruction from our leader to proceed with this bill or not, may I say that we are not sycophants on this side of the house. There is no one-man leadership or domination over here. We have our own views and we express them for ourselves. The Prime Minister should never have used the expression that we are blocking this legislation or that for several days we have been dealing with something that is not in the public interest. So far as I am personally concerned I brought up an entirely new matter yesterday that had not been discussed before, and that I had a perfect right to do as a member of this assembly elected by the intelligent electors of Nova Scotia, and I am not going to allow the Prime Minister or anybody else on that side or on this side of the house to interfere with my rights as a member of this house.

Again on the point of order, Mr. Chairman, may I say that the Prime Minister evidently is not very anxious to have discussed the guarantees which this government gave. The public, however, are very anxious to get the information. I have been trying for the last month to find out what was the amount of the guarantee which the government gave to the Cooperative Wheat Producers Limited or John I. McFarland, and it is quite evident that so far as the government is concerned they have something to cover up or we would have had that information.

Some hon. MEMBERS: Oh, no.

Mr. DUFF: Very well then, let us have the information. If the government does not want to give the information I can give myself, within a million dollars, the amount of the guarantee which this dominion gave to the banks of this country to carry on the business in which in 1930 John I. McFarland was interested. The amount was about $150,000,000.

The CHAIRMAN: I understood the hon. member was going to speak on the point of order.

Mr. DUFF: Yes, Mr. Chairman. Let me go a step further. As far as the Cutten matter is concerned, in which you intervened, Mr. Chairman, in a very courteous manner, I understand that this wheat which Cutten was selling in Chicago was sold to Mr. McFarland, and that the government was guaranteeing the money which was paying for that wheat.

The CHAIRMAN: It is not permissible to discuss facts which are before a committee of this house until that committee has made its report.

Mr. MACKENZIE (Vancouver): On the point of order, Mr. Chairman, on March 27 of this year, at page 1901 of Hansard, the figure of $15,000,000 was given by the Prime Minister as the outside liability under this very guarantee which is being discussed by the hon. member for Antigonish-Guysborough (Mr. Duff). I submit that my hon. friend is quite within his rights in discussing that statement made by the Prime Minister seeing that it is contained in the Hansard of the present session at page 1901.

The CHAIRMAN: No doubt, if the hon. member confines himself to that.

Mr. POULIOT: Speaking to the point of order, Mr. Chairman, I hold in my hand the standing orders of this house of 1927. The rules of debate are set out at pages 16 to 21 inclusive and on part of page 22. I would ask you, sir, to be good enough to look at the book and refresh your memory. I see it just in front of you and it is closed.

The CHAIRMAN: My mind is open.

Mr. POULIOT: The first rule, No. 34, is not relevant to the point under discussion, nor is rule 35, nor rule 36, nor rule 37, nor rule 38, nor rule 39, nor rule 40—

The CHAIRMAN: Will the hon. member please quote the rule that is relevant.

Mr. POULIOT: Nor rule 40, nor rule 41, nor rule 42, nor rule 43, and that is the last one. Therefore in that book, which contains our own regulations governing the conduct of debates in this house there is nothing at all to prevent the hon. member for Antigonish-Guysborough from discussing the question which he was considering. You have in your hand a book that costs much more than the standing orders of the house, because it costs $10—I am speaking of the authority you have in your hand.

The CHAIRMAN: The hon. member is not speaking to the point of order.

Mr. POULIOT: This other book which I have quoted contains the regulations passed by this house governing the way in which debates should be carried on, and there is absolutely nothing in the standing orders to prevent an hon. member from speaking about legislation that is before the house. Has the matter been submitted to another committee of the house to prevent free discussion of it by members of this house? That is a most important question and, as there is not a single standing order which prevents the hon. member for Antigonish-Guysborough from saying anything he thinks fit about that very matter, I do not see how anyone can take advantage of what is being done either in England or in any other country, where the rules governing their legislative houses are different from our own, in order to impose upon us a regulation which does not exist in this house. I do not see therefore, no matter what author may be quoted, how you, Mr. Chairman, can prevent the hon. member from discussing anything which is relevant to the present debate. If there is one standing order which would preclude the hon. member for Antigonish-Guysborough from discussing the matter in question, I will fully respect your decision; otherwise it will be impossible for me to understand your ruling.

The CHAIRMAN: I hope the hon. member for Témiscouata will understand my ruling, which is this. Under standing order 41, with respect to decorum in debate, it is provided in 303:

> Until a committee reports, it is irregular to refer to its proceedings in debate in the house.

I will not quote the whole rule. I would refer the hon. member to 666 as well.

[The Chairman.]

Mr. POULIOT: That is Beauchesne.

The CHAIRMAN: Not only Beauchesne but common sense.

Mr. POULIOT: Beauchesne is right?

The CHAIRMAN: Order; the hon. member must at least respect his county and his name. I certainly will not curtail discussion by any hon. member of any aspect of the legislation before the house, but at the same time I am bound to abide by the rules of the house, according to which no hon. member may refer specifically to any matter which is now before a committee and on which such committee is going to report, when full discussion will be allowed.

Mr. MACKENZIE (Vancouver): I agree entirely with your ruling, Mr. Chairman, as far as it goes, but the hon. member was not referring to proceedings before the committee. We are entitled to refer to information which we have received with regard to any transaction, though such transaction may be under discussion before any select committee of the house, but we may not comment on any particular evidence given before the banking and commerce committee.

The CHAIRMAN: I agree with the hon. member on that point. Any hon. member discussing this legislation may quote any information, whether or not that information has also been given before the select committee, so long as the information quoted comes from some other source than the committee itself. But what is under consideration by that committee cannot be discussed in this house until the committee has made its report.

Mr. MOTHERWELL: Then how can you expect this house to grant another blank cheque until all the expenditures have been accounted for under the last? So long as the wheat agreement guarantee has not been accounted for and the total amount of this guarantee stated by the government, we are justified in demanding it so that the aggregate of the guarantees may be known.

Mr. DUFF: I am pleased to hear your decision, Mr. Chairman. So far as I am concerned, I do not want to go against the well-established rules of the house, but I think I am in order in mentioning the Cutten matter. Various statements are being made in the country, and it seems to me that it is the duty of the government to clear the matter up and to show what at any particular time was the gross amount of guarantees for which they were responsible. As I said a

moment ago, my only interest so far as the Cutten matter is concerned is this, that owing to the guarantee given Mr. McFarland by the government, Mr. Cutten in Chicago sold wheat to Mr. McFarland, and he had to use money from the guarantee which the dominion gave to him. In making that statement I think I have said sufficient for my purpose.

I wish to refer to another matter. I have tried always to speak in this house only when I have something to say which, in my judgment at any rate, is in the interests of my constituency or of other parts of Canada.

Mr. GOTT: That is where you differ from the member for Témiscouata.

Mr. DUFF: Yesterday, in discussing this relief measure, I directed the attention of the committee to the fact that from one part of my constituency I had received a telegram asking that the government arrange to give them a small amount of $15,000 for certain purposes in connection with fisheries, and in his reply the Prime Minister, as reported at page 2059 of Hansard, column 2, used these words:

> But that can be done only when we have the power to do it, and at present we have not any such power. Some ten days ago the power lapsed, and until such time as this parliament again confers the power we shall not be able to help the fishermen of Canso either through the government at Halifax or otherwise.

Of course, that statement was quite correct, but from other statements made either in this house or on the public platform or in private conversation one can sometimes draw different conclusions. Now, there are some people in this house who have fairly good memories. I wish to congratulate the Prime Minister on his good memory although some times he errs just as we do. But yesterday he made the statement that he could not guarantee this relief to the fishermen of Canso because there was at the moment no act of parliament. All I asked yesterday was that the fishermen of Canso be treated like other people in this country, like the western producers or John I. McFarland or whatever name you want to give to the organization which he headed to which this government gave a guarantee, the amount of which we do not know but which ran into not tens of millions of dollars, but in my opinion, over $100,000,000. What was the position of the government and the country in regard to that guarantee? Did the Prime Minister or his government have at that time any legislation to deal with the matter? If there was no such legislation—and in a minute I am going to prove that there was none—why cannot the government deal with the fishermen of Canso as they did with the Wheat Producers Limited, John I. McFarland and those associated with him? Let me read order in council P.C. 2238 as follows:

> Certified to be a true copy of a minute of a meeting of the committee of the privy council, approved by His Excellency the Governor General on the 12th September, 1931.

The order in council goes on:

> The committee of the privy council have had before them a report, dated 11th September, 1931, from the Minister of Finance, recommending that, in pursuance of the Unemployment and Farm Relief Act, 1931, and of an undertaking on behalf of the government—

Listen to this, Mr. Chairman.

> —made before the session of parliament at which the said act was passed, to implement by legislation the recommendation hereinafter set out, the governor in council guarantee repayment to the chartered banks hereinafter mentioned:
>
> The Bank of Montreal,
> The Bank of Nova Scotia,
> The Bank of Toronto,
> The Canadian Bank of Commerce,
> The Royal Bank of Canada,
> The Dominion Bank,
> The Imperial Bank of Canada,
>
> of the amounts of money advanced by them to the Canadian Cooperative Wheat Producers Limited, hereinafter called "Wheat Producers," and interest thereon until repayment as agreed between the said banks and Wheat Producers in connection with and incidental to the marketing of the wheat and other grains grown in the provinces of Manitoba, Saskatchewan, and Alberta in the year 1930 and delivered to or in process of delivery to Wheat Producers, and including advances for purchases of wheat or other grains deemed necessary by Wheat Producers to secure the advantageous sale of such grains already delivered to or to be delivered to Producers.

The agreement was made with Mr. John I. McFarland who took over the management and selling of the wheat in November, 1930, and no legislation was passed at that time. This house was not in session then, and when the government gave guarantees to the banks to the extent of tens of millions of dollars there was no legislation passed, yet this government itself, six or eight months before the act was passed in 1931, gave to Mr. John I. McFarland and the banks, power to sell that wheat on a guarantee of the government. The Prime Minister was mistaken when he tried to argue that nothing could be done for the fishermen of Canso even to the extent of the small amount of $15,000 because at that time there was no statute on the books, whereas the government in September, 1931, passed an order in council in which it distinctly admits making an undertaking on its own be-

half before the session of parliament of 1931. Surely, therefore, the Prime Minister and the government cannot give as a reason for not looking after the interests of the fishermen of Canso, that we are delaying this legislation or that none exists. Consequently the point of his remarks was not well taken and I again appeal to him on behalf of the fishermen of Canso that there is no reason, if the government can make a deal which means a guarantee of tens of millions or perhaps $100,000,000 to certain people, it cannot guarantee a small amount to the fishermen of Canso.

Mr. BENNETT: The committee doubtless has observed that the telegram which was sent by the mayor of Canso to the hon. member for Antigonish-Guysborough did not ask for a guarantee; it was a request for assistance under the marketing legislation. It states:

> Owing to present adverse condition majority of fishermen in Canso are unable to equip themselves for fishing. Therefore this council urges the federal government under the proposed marketing and credit legislation to establish a fund of not less than $15,000 to be applied immediately through a system of loans to bona fide fishermen in Canso for the purchase and equipment of boats and fishing gear. As season is about to open immediate action is imperative. In this manner only can our fishermen once more become self-supporting.

Yesterday I pointed this out, at which the hon. member seemed to take some offence, that the telegram might better have been sent to the Minister of Labour or the Prime Minister or another appropriate minister if it was desired to have it dealt with, and while I do not think the hon. gentleman took serious offence, he took offence at what I said during the progress of the discussion. Now I point out to him and to the committee that the suggestion was for assistance under the marketing legislation and not for a guarantee. When yesterday I pointed out that we had no power to give the guarantee I had in mind two things: first, that the legislation of last year contained provisions whereby the government could give a guarantee and this year the legislation does not do so, because the provision was so strenuously opposed by hon. gentlemen opposite that it was deliberately omitted from the legislation by the minister. In order to make the matter doubly sure, the hon. member for West Lambton, seconded by the hon. member for Vancouver-Burrard, moved this amendment yesterday:

> Nothing in this section shall be deemed to authorize the governor in council to loan, or advance money to, or guarantee the payment of money by any public body, corporation or undertaking.

[Mr. Duff.]

So that not only did hon. gentlemen opposite desire that no further guarantees should be given, but when the explanation was made that these words had been deliberately left out of this year's legislation, the hon. member for West Lambton with the aid of the hon. member for Vancouver-Burrard desired to have the committee add to the legislation a proviso that no guarantee could be given under any circumstances to anybody except the provisions with relation to provinces, which provisions were contained in another section. Therefore perhaps the committee as a whole will realize that no government could give such a guarantee as that which is sought nor give any undertaking to give a guarantee in view of the fact that it had deliberately omitted from the proposed legislation the provision relating to guarantees.

There is just one observation which the hon. member made which I submit to the committee is a very serious one. He has alleged that in consequence of something that appears in the newspapers, there was collusion—that is what it amounts to—between the cooperative wheat sellers' organization and Mr. Cutten at Chicago and that money was used by Canadians for the purpose of buying Mr. Cutten's wheat.

Mr. DUFF: If the Prime Minister will allow me, I said that there was a report.

Mr. BENNETT: Any man who in parliament makes a statement of that kind must accept the responsibility for making it.

Mr. DUFF: I am willing to accept it.

Mr. BENNETT: I want to say something more about the matter, and that is this: The government is not responsible for the information not being given. The government told the committees, they told this house that it was free to do what it thought best, and by a majority which did not include government supporters alone but men who knew something about the business as distinguished from those who did not it concluded that the information should not be forthcoming. I ask the hon. member for Antigonish-Guysborough and those who cheer his sentiments, do they desire to destroy western agriculture and drive the farmers of that country into bankruptcy? Is that their object? Is that the reason he makes these attacks? Why is it he stands in this house and becomes the mouthpiece of those who make attacks against western agriculture?

Mr. DUPUIS: To do justice.

Mr. BENNETT: Is it for the purpose of getting some measure of support from those

who come from the great eastern provinces that they are now condemning the government because it is trying to help western Canada?

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: We hear the voice of the hon. gentleman next to the member for Antigonish-Guysborough saying it is in the name of justice. The greatest peril that ever came to the Canadian agriculturist! The government is endeavouring to do the best it can to safeguard that interest, the interest upon which western Canada has prospered in years gone by, which by its purchasing power kept the factories of the east going. Now are these gentlemen going to raise this cry against the west in its time of peril, its time of difficulty, its time of stress; are they going to appeal to sectional and other prejudice for the purpose of carrying out any such policy? I appeal to the members of this committee, those who know and understand what happened, who know that the government left it a perfectly open question for the members to determine as they saw fit, and that the committee decided as it did in the light of the knowledge they had as to what was best for the country under the circumstances. It is little credit to any hon. member to raise that issue in the way in which they have endeavoured to raise it in this case. Of course the west has had large benefits from the relief measures. Why? Because there we have a small number of people inhabiting a vast area, who produced more wealth per capita for Canada than any pioneer people in the world. That is the real truth, if you want to know the real truth. Everyone who takes the trouble to analyze the statistics realizes the great amount of new wealth that has been produced on the western plains between the head of the lakes and the mountains during the last ten years; new wealth coming into being year by year, not taking five or six years to produce but produced between the spring and the fall, which had such a tremendous effect on this country that now the drying up of this source of production has been felt in every part of this dominion. Everyone knows that, but here we have the cry raised that what we are trying to do is to deprive someone of something for the purpose of giving it to someone else. If the figures are looked at it will be seen that under the agreement made every part of this country has had the same treatment. In the older parts of the country the necessity has not been so great as in the new. Why should an old and long-settled country be asking the federal government to make contributions for the purposes of relief? It is in the new, the pioneer country that this necessity has arisen.

Mr. DUPUIS: What about Montreal?

Mr. BENNETT: An hon. gentleman mentioned the word Montreal. The city of Montreal has had as great a measure of relief as any other city in Canada, the only difference is that until this morning the accounts from the city of Montreal had not been received since those for the month of July of last year. Who is to blame for that? Let the hon. gentleman mutter "Montreal" as much as he pleases but let him know the facts before he makes his statement. If the city of Montreal presents its accounts as other communities have it will be dealt with in just the same way and just as rapidly. But only this morning the accounts of the city of Montreal were brought in in part for relief from the month of July up to the month of November. And then they blame this government! They cry that the west is receiving some assistance and mutter that Montreal is neglected, and another mutters "justice."

An hon. MEMBER: Prejudice towards the east!

Mr. BENNETT: There it is you see. All I can say is that as long as this government lasts it will give the same measure of consideration to every part of Canada as to all parts of Canada, and that measure will be the measure of necessity, for relief is based on necessity. That is what it was based upon, and on that basis it will continue to be administered. As long as we make contributions to the provinces to aid them in the discharge of their duties, just so long must necessity be the measure of the extent of the relief. All I can say is that the sentiment expressed by some of the members of this house is not the sentiment of the people of the communities from whence they come, for last year not ten, not fifteen, not twenty, but I believe it went up to something between one and two hundred carloads of produce went from eastern Canada to the west to help them in their need.

Mr. VENIOT: And would go again.

Mr. BENNETT: And as the hon. member for Gloucester (Mr. Veniot) says it would go again. That is the position if the occasion arises. The government has acted in no spirit of discrimination but on the principle of giving to every province of the confederation the measure of assistance needed, the measure

of it being the necessity of the community itself as expressed to the government through the province. And the fishermen of Canso send a telegram asking support, but do not send it to the government, and the member does not come to the government for any assistance but standing in his place in the house in the middle of a debate, a partisan debate, urges that that is not the way the west does it. Those in the west present their case not for political reasons but for the purpose of having assistance and aid given, and expecting to receive it, as they have, not to make political capital out of their necessity, their sorrows and their sufferings, but for the purpose of getting some assistance given to them to tide them over the difficulties in which they find themselves. Was that telegram communicated to the government, was it shown to the government, was it shown to the minister, was it shown to anyone who had any power to deal with the matter? It asked that something be done under the marketing act which is not yet law. Those who sat in this chamber yesterday and heard the attack made and the manner in which it was made will realize just how much of the effort was to help the fishermen and how much to make political capital out of the incident. And the country is not slow to judge in matters of that kind. It is perfectly obvious from what transpired in this chamber yesterday and for eight days before that, with the second section of the bill still under consideration, that the opposition are endeavouring to delay the passing of this legislation.

An hon. MEMBER: Not at all!

Mr. BENNETT: I have no objection to their delaying it, none whatever.

Mr. HANBURY: That is unfair.

Mr. BENNETT: But that is true.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: Will the hon. gentleman say that what transpired in this house yesterday and to-day was not by design? Will he say the hon. gentleman beside him was not a party to it?

Mr. CASGRAIN: I was not.

Mr. BENNETT: I know better.

Mr. CASGRAIN: I have the right to say what I have to say in the house, and you have no right to say it is designed to delay.

[Mr. Bennett.]

Mr. HANBURY: The right hon. gentleman cannot be responsible for every member on his side, and we cannot be responsible for every member on this side.

Mr. BENNETT: I agree.

The CHAIRMAN: I wish hon. members would listen—

Mr. VENIOT: I ask that the Prime Minister, if he reflects on me in the words he has used, will withdraw them. He has attributed to the opposition a design to block the passage of this bill. I do not think he can attribute a design to any member of this committee to block it.

Mr. BENNETT: I was very careful not to use the word "block" or the word "obstruct." Both of those words I did not use. I said "to delay."

Mr. VENIOT: You said "designed to delay."

Mr. BENNETT: Yes, exactly, and that is in order.

Mr. DUPUIS: It is not right.

Mr. BENNETT: The words used in England are "dilatory tactics."

Mr. DUBOIS: As the word "humbug."

Mr. BENNETT: Well, I do not know any better example of it than the hon. gentleman. I can see nothing in this country quite equal to it. That is well known to all who have had the privilege of hearing his observations this afternoon. All you had to do was to watch the debate yesterday.

Mr. VENIOT: I want the point of order decided.

Mr. BENNETT: What is the point?

Mr. VENIOT: The Prime Minister said that we on this side of the house designed to prevent the passage of this bill.

Mr. BENNETT: No, I did not say that, I said "delay." That is parliamentary.

Mr. VENIOT: Well, delay. Now, sir, if I understand the English language that amounts to what is mentioned on page 98 of the rules and forms as "factious opposition." When you attribute to a member or to the opposition as a body the design to delay the passage of the bill it can amount to nothing else than factious opposition, and under rule 298, which appears at page 97 of Beauchesne, that term is not permissible.

Mr. GUTHRIE: On the point of order, Mr. Chairman, occasions may arise when it may be necessary, in the opinion of any hon. member, to delay the passage of any measure. That is within his rights, and there is nothing unparliamentary in stating that the intention or design of the hon. member is to do so. It is unparliamentary to charge obstruction.

Mr. VENIOT: It amounts to the same thing.

Mr. GUTHRIE: Factious opposition is not the design to delay at all. I submit that the statement by the Prime Minister is entirely parliamentary, Mr. Chairman, and I ask you so to rule.

Mr. MOTHERWELL: I am one of those who have been quiet as a mouse both yesterday and to-day, and I do not think those remarks could apply to me. I wanted to ask something in regard to this very matter brought up by the hon. member for Antigonish-Guysborough. For many years I happened to be a member of a government which gave guarantees to the farmers, but we did not hide them under our hats.

Mr. VENIOT: We are discussing a point of order.

Mr. MOTHERWELL: I am talking now; you had your chance. What is the point of order?

Mr. VENIOT: On the point of order may I be permitted—

The CHAIRMAN: I do not think the hon. member can speak twice on a point of order.

Mr. VENIOT: Where is the rule that prevents me from doing so?

The CHAIRMAN: There is a rule which states that an hon. member may speak only once to a point of order.

Mr. VENIOT: We are in committee now.

The CHAIRMAN: Yes, but we are not in committee on the point of order.

Mr. VENIOT: I understand, Mr. Chairman, that on a point of order you have the same jurisdiction as though you were in the Speaker's chair, so to speak, but I do not think I can be prevented from replying to the Minister of Justice.

The CHAIRMAN: I have no objection to hearing the hon. gentleman if the committee consents.

Mr. VENIOT: If in your opinion, Mr. Chairman, I am not permitted to reply I bow to your ruling.

Mr. CASGRAIN: Where is the rule, Mr. Chairman?

Mr. VENIOT: If in the opinion of the chairman of this committee I am infringing the rules of the house I accept the ruling, and I do not want the consent of the committee to go on.

The CHAIRMAN: May I say further that for my own information I should be only too happy to hear the hon. gentleman, because I want to form my opinion on the point of order and I must understand it clearly, because there seems to be very little difference between the Prime Minister and the hon. gentleman in regard to the words used. So I will listen to the hon. member for Gloucester.

Mr. VENIOT: I take it, sir, that under rule 298, which appears at page 97 of Beauchesne, the expressions there set out have been ruled unparliamentary in the British House of Commons, which ruling applies here as well. The first expression I find is "factious opposition." While the Prime Minister did not use the words "factious opposition" he did say there was a design evident on the part of the opposition to delay the passage of this bill.

Mr. SPENCE: Is that not true?

Mr. VENIOT: Those were the words he used. Now I hear a voice from the other side asking if that is not so. I wish to protest that it is not so and that the words "design to delay the passage of this bill" amount to obstruction; they amount to more than that, and come under the heading of factious opposition. I do not agree with the Minister of Justice, although perhaps I should say that he ought to be a better authority on the interpretation of the English language than I am. I cannot agree with him, however. I will say that he is in a better position to interpret a legal term than I am, but I will not play second fiddle to him in the interpretation of the English language. Therefore I take it that the words "design to delay the passage of this bill" come within the class of expressions which have been ruled objectionable and unparliamentary, as laid down in the section I have quoted.

The CHAIRMAN: My ruling is this: Sometimes it may be not only the right but the duty of any hon. member to delay, obstruct or stop any measure which he may think bad for the future welfare of the country, and at certain times he may be entitled to use the term "obstruction." The

rule on which I am bound to base my decision is this, that you cannot impute motives to any hon. member. At the same time, however, I think it is only fair to say that all sides of the house may criticize any attitude taken by any hon. member, so long as that is done in parliamentary language, and in my opinion it is not unparliamentary to say that a member, or some members, or an opposition, or a government party, have designed to delay any legislation. I might add that sometimes it might be a good thing if they did.

Mr. MACKENZIE (Vancouver): May I say, Mr. Chairman, that I thoroughly agree with the ruling you have just given. Speaking for myself certainly I am endeavouring to delay this measure for the reason that I am absolutely and bitterly opposed to two most vicious principles contained in this legislation. In my humble way I want to impress upon the country the vicious nature of the legislation that now is being piloted through the house by the Prime Minister. But so far as actual delay is concerned I want to bring to the attention of the right hon. gentleman the fact that at 10.45 o'clock on Tuesday night in this chamber the official opposition were prepared to vote upon the amendment which had been moved by the right hon. leader of the opposition, but because the right hon. gentleman and his Minister of Labour did not have at that time enough members behind them to sustain them in the position they had taken we saw what were really blocking tactics of the worst kind.

Mr. BENNETT: The word "blocking" is not parliamentary.

Mr. MACKENZIE (Vancouver): I will withdraw it, in deference to my right hon. friend, and in deference to the classical vocabulary of the right hon. gentleman I will say that the Minister of Labour adopted tactics which were designed to delay the passage of this bill which we are now considering. I would also tell the right hon. gentleman, who virtually accuses the opposition of using blocking tactics, though actually his words were "using tactics designed to delay," that if he removes from this bill, in the first place, the clause dealing with peace, order and good government and if he inserts in section 4, in the second place, an amendment which we intend to propose to the effect that no money shall be expended by this government except such as may be appropriated by this parliament, the bill will very soon go through. If the Prime Minister will do what was done by the government themselves in 1932 and remove from the bill the reference to peace, order and good government, and if he will return to this parliament its fundamental right to control taxation and expenditure, this bill will go through and receive third reading in thirty minutes, so far as we are concerned.

[The Chairman.]

So far as I am concerned, Mr. Chairman, I am bitterly opposed to legislation based upon peace, order and good government. Our attitude has been consistent, sir, in this house since 1930. In 1932 I moved an amendment along the same lines, and I should like to place it on record again now. I moved:

That this bill be not now read a second time but that it be resolved:

1. That this house has been from the commencement of the session and continues to be ready and willing to consider and vote without delay any money or grant, submitted and asked for by the government for relieving distress and providing employment throughout Canada.

In the second place, and this is our position this afternoon, the amendment stated:

2. That this house cannot surrender the rights of the people of Canada, through their representatives in parliament, to maintain direct control over matters of taxation and expenditure, nor vest in the governor in council or in any other body absolute and despotic powers under the guise of dealing with peace, order and good government, particularly while parliament is in session.

That was our attitude in 1930, 1931, 1932 and 1933, and that is where we stand in 1934. We say to the government to-day that we are prepared to vote all the moneys necessary at this moment to provide relief, providing these moneys are properly voted. As far as I am personally concerned I am conscientiously opposed—and I hope hon. members will accept my sincerity—to the clause relating to peace, order and good government in this legislation. I am opposed to depriving parliament of control over public expenditures. I say we have been acting within our rights in delaying this legislation, in order that the country may be impressed with the serious nature of the legislation which the Prime Minister, because of the regrettable absence of the Minister of Labour, is at the present time trying to compel us to accept without proper, due and mature consideration. With all respect and kindly deference to my right hon. friend I say that he himself, by his personal demeanor yesterday and to-day, has been responsible for a great deal of delay. I wish to make that statement in the kindliest manner, and to add that the right hon. gentleman himself provoked antagonism and unnecessary discussion in the piloting of this measure through the

House of Commons. For that reason I regret that his genial colleague, the Minister of Labour, is indisposed. I do wish to impress upon the right hon. gentleman however that I do not believe he is in a position to lecture hon. members on this side of the house who have conscientious and deep-rooted objections to the main provisions of the bill.

Mr. STEWART (Edmonton): Mr. Chairman, I am not going to cover that which has been said by the hon. member for Vancouver Centre, other than to state that I concur in his statements. I do point out to the Prime Minister, in the most kindly spirit, that this legislation is thoroughly obnoxious to hon. members on this side of the house.

An hon. MEMBER: For four years.

Mr. STEWART (Edmonton): Yes, for four years, and if it had been twenty years our position would be just the same. May I say to the Prime Minister that because of the absence of the leader of the opposition there is no desire to delay the legislation. May I add that there are a number of hon. members on this side of the house who still desire to speak upon the measure. So far as I am concerned I should hope we might conclude discussion of the bill this afternoon, but when the right hon. gentleman imputes to us the motive of delaying the measure I state that he is entirely beside the mark.

May I say here and now that while I was absent yesterday and cannot speak as to the discussion which took place then, I do know that three or four hon. members on this side of the house were very anxious to discuss the guarantees. I presume they did so, although I have not yet read Hansard to ascertain whether or not they spoke. There are some further matters touched upon in the measure concerning which, as we proceed, hon. members will desire to speak. The discussion may have wandered somewhat far afield, but we do resent very strongly any imputation that we have used obstructionist methods, if you wish to use the extreme term, and that we have unnecessarily delayed the passage of the measure. This is one of the most important bills the House of Commons will be asked to consider. Let me repeat what I said a few days ago—and may I add that upon that occasion I had waited twenty-four hours before I had an opportunity to speak. Other hon. members were anxious to express themselves, and of course my remarks were delayed.

May I repeat that we are just as anxious as is the government to grant relief where such relief is required. I should like to express myself as strongly as has my colleague by stating that we object to the provisions contained in the bill. We always have objected, and as opposition members it is our duty to object as strongly, as is humanly possible, to those features in the legislation which we do not like—and we intend to do it. The delay has not been caused by the absence of the leader of the opposition, because I wish to make it perfectly clear that I believe hon. members on this side of the house have discussed clause 2 as much as they have desired. We wish however to discuss clause 3 in connection with which the Prime Miinster has presented an amendment. We are anxious to proceed with the legislation, because we do not want to stay here any longer than is necessary. But we do intend to remain until we have had the opportunity of presenting our views to the House of Commons, and we will not be deterred from our purpose by anything which may be said by any hon. member of the government or by its leader. I make these statements in the kindliest spirit, and say that we are ready to go on and vote upon our amendment, and then proceed with the amendment presented by the Prime Minister.

Mr. BENNETT: Mr. Chairman, I thank the hon. member for West Edmonton for the statement he has made. I do think it is quite unfair to say that an effort was not made yesterday to answer every reasonable question asked and to do so in the best possible temper. There was nothing said yesterday which was not responsive to a question asked and I leave it to any hon. member who sat in the committee to state whether or not the replies were not made in the best possible temper. Therefore I say that the particular criticism is unwarranted.

The amendment now before the committee is one offered by the leader of the opposition upon which, I understand, we will vote. I indicated that I purposed at least to some extent to meet the views of the opposition by striking out subsection (b) of section 2 and making a new paragraph.

Mr. MACKENZIE (Vancouver): That will come subsequently.

Mr. BENNETT: Yes, when we dispose of this matter I shall make that motion.

Some hon. MEMBERS: Question.

Mr. CASGRAIN: Mr. Chairman, I should like to make some further references to my

statements of yesterday concerning the stabilization fund. Yesterday the Prime Minister said in answer to a question of mine:

The return will gratify the hon. gentleman's very laudable curiosity in that regard. They were not paid to the provinces but to the persons who made the exports under the terms fixed by the regulations, which were published and indicated to the house.

In connection with my question as to how this $35,145.71 was appropriated I have consulted Hansard for the present year, and at page 237, February 5, I find the following question asked by the hon. member for Prince (Mr. MacLean) and answers thereto:

Agricultural Stabilization Fund

Mr. MacLean:

How much money was paid by the government of Canada under the agricultural stabilization fund, for each of the agricultural products entitled to aid from this fund, for each month of 1933?

Mr. Rhodes:

Payments to date by commodities (statistics not kept by months of shipments):

Cheese	$ 5,437 33
Bacon and hams	9,006 41
Cattle	3,779 41
Eggs	409 80
Canned lobsters	1,559 27
Canned salmon	158 39
	$ 20,350 61
Administration expenses	217 82
Total to date	$ 20,568 43

I should like to find out the difference between the $35,145.71 and the $20,568.43 mentioned here, and also the names of the persons about which the right hon. gentleman spoke yesterday when he said that payments were made to the persons who made exports.

Mr. BENNETT: The figures I gave yesterday, now repeated, namely, the thirty-five thousand odd represent the amount to date. The figures given on February 5, represented the sums paid to that date. The difference between the two sums represents the amount paid between those two dates. Obviously I have not the names of the persons to whom payments were made, but I shall endeavour to secure them from the Department of Finance, and table them. I do not know whether or not they are available, but I believe they are. They are not paid to provinces.

Mr. CASGRAIN: When I put that question I was not trying to delay matters at all or to make trouble. I was simply trying to get some valuable information.

Mr. BENNETT: The hon. gentleman complains that the suggestion was as to the ingenuity of the method adopted to drag out the proceedings. I only suggested that if we were ready to vote on Tuesday night why did we wait all day yesterday?

Mr. CASGRAIN: I did not have time on Tuesday night to put that question.

Mr. BENNETT: Secondly, I would point out that if the pairs were observed the government would have had a majority of fifteen at that time.

Mr. CASGRAIN: If the pairs had been observed; but sometimes members forget all about them in committee.

Mr. BENNETT: If they were observed the government would have had a majority of fifteen.

Mr. CASGRAIN: I had no conference with the chief whip on the government side and I was not approached to take a vote on that night. The debate was carried on until eleven o'clock by the Minister of Labour himself.

Mr. GUTHRIE: Let us take the vote now.

Mr. DONNELLY: Before the vote is taken I just wish to draw the attention of the Prime Minister to the condition in which people in the dried-out area in Saskatchewan find themselves at the present time. The relief commission in the province of Saskatchewan furnished the farmers in that dried-out area with seed sufficient to sow their land, and I also understand that they have supplied those farmers who are using horses with feed for their horses to enable them to put in their crop. In the same manner those farmers who are using tractors instead of horses are being supplied with oil and fuel to enable them to put in their crop, but the difficulty is that while they have the seed and the power many of the farmers are needing repairs for their machinery, and it is almost impossible for them to get them, and therefore impossible to put in their crop. They have made representations to the municipalities, and the municipalities have made representations to the provincial government or to the commission, but there has been no decision yet as to what is to be done with regard to these repairs. I know that the Prime Minister will tell me that it is the duty of the Saskatchewan government to take up this matter with the commission, but I would urge him to bring this matter, which is of very great importance, to the attention of the Saskatchewan govern-

ment or of the commission and see if something cannot be done soon to get these machinery repairs in order that the farmers may put in their crops.

The CHAIRMAN: The question is on the amendment moved by the right hon. leader of the opposition (Mr. Mackenzie King).

Amendment negatived, on division.

Mr. BENNETT: I move, Mr. Chairman:

That section 2 of the bill be amended by striking out sub-paragraph (b) and by inserting in the said bill as section 3 thereof the following:

"3. In addition to the powers conferred under the provisions of any statute or law the governor in council may, when parliament is not in session take all such measures as in his discretion may be deemed necessary or advisable to maintain, within the competence of parliament, peace, order and good government throughout Canada; and at all times to take all such measures as in his discretion may be deemed necessary or advisable to protect and maintain the credit and financial position of the dominion or any province thereof."

The effect of that is that instead of saying "notwithstanding the provisions of any statute or law the governor in council may," we say "in addition to the powers conferred under the provisions of any statute or law the governor in council may, when parliament is not in session," and so forth. It strikes out those words at which offence was taken on the ground that they seemed to be too broad.

Mr. MACKENZIE (Vancouver): I understand that the purport of the amendment moved by the Prime Minister is to leave section 2 (a) of the bill exactly as it is and to delete section 2 (b), and add a new section 3, so that the words which commence section 2 "notwthstanding the provisions of any statute or law the governor in council may" are changed to "in addition to the powers conferred under the provisions of any statute or law," and so forth. I did not happen to be in the house when the matter was being debated the other day, when I think it was indicated from this side of the house that the words as now submitted by the Prime Minister are preferable to the words "notwithstanding the provisions of any statute or law." But as far as I can presently see, the words now used in the amendment are almost as wide in their scope as the language previously objected to. Looking up Hansard I observe that the objection was that with the very extraordinary powers taken under this legislation the administration might override the provisions of any statute. I think the resolution of parliament which was subsequently embodied in a statute with regard to Canada entering a possible or contingent war was quoted and it was suggested that the present legislation might override such statute or resolution. I personally must state that I am distinctly opposed to the amendment now moved although I think it is slightly less sweeping than the section as it now stands in the bill, but there is nothing in the amendment that removes in the slightest degree our fundamental objection to the clauses referring to peace, order and good government. The powers which the administration are taking in this amendment to take all such measures which may be deemed necessary, "in addition to the powers conferred under the provisions of any statute or law" now upon the books are as wide as they were in the legislation of other years in regard to peace, order and good government, and the same deep-rooted and fundamental objection which we took to the previous legislation applies to the amendment now submitted, although I am prepared to admit that it is not now so obnoxious as it was with the words "notwithstanding the provisions of any statute or law."

Mr. STEWART (Edmonton): We have just voted against the deletion of the words "peace, order and good government" in section 2 (b). Do I understand that they will still remain in the bill?

Mr. BENNETT: Yes, but not at the place where they now are.

Mr. STEWART (Edmonton): Nothing has been done to remove them from where they now are?

Mr. BENNETT: My amendment proposes to strike out all of sub-paragraph (b) and substitute a new section 3. The effect I think was clearly stated by my hon. friend from Vancouver Centre just a moment ago. As the hon. gentleman has stated, the effect of it is to leave in the provisions with respect to peace, order and good government, but to eliminate those provisions which seem to contemplate the possibility of orders in council overriding all existing statutory provisions of the dominion.

Mr. HANBURY: I just wish to draw the attention of the Prime Minister and members opposite to these words which were spoken in this house on Tuesday of this week:

Does the hon. gentleman not think it is highly desirable to protect this parliament in the exercise of its powers from usurpation by a delegated authority?

That is the point we on this side are making in connection with this particular feature

of the bill. I wish to call the attention of hon. members on the government side of the house to the fact that these words were used in this house on Tuesday of this week by the Prime Minister of Canada.

Mr. DUPUIS: I want to say a few words before this amendment carries. I do not want to be too long because hon. gentlemen to your right, Mr. Chairman, would try to lead the house and the country to believe that we are intentionally trying to delay the passage of this legislation which is coming to the rescue of the needy. The Prime Minister a few minutes ago, replying to the hon. member for Antigonish-Guysborough, said that we on this side of the house were opposed to relief and to whatever has been done for the western provinces; he said that we wanted to raise prejudices and to divide east from west. As no one has answered this implication, which is absolutely wrong, may I be allowed to say for myself and, if I may do so, in the name of the province from which I come, that we from the province of Quebec are always glad to see this government come to the rescue of the western provinces, and have always approved of what has been done in that regard. As far as I can recollect we have never objected in this house to any legislation intended to assist the needy in the west, but we do object to having two ways of doing it. We object to two measures. The Prime Minister raised his voice in protest against an interruption of mine in regard to Montreal. He said, "We received only yesterday the report from the Montreal relief people." May I say to him, with all due respect, that he is not in a position to say that we are responsible for any delays in administration, in bookkeeping in the large centres of Canada.

What I intended to say on behalf of Montreal and of the eastern provinces was this. What we want is an opportunity to work, not to beg our bread as direct relief compels the people to do. The people want work, and if I said that enough had not been done for Montreal I had in mind the fact that prior to 1930 the Liberal government had voted $50,000,000 to build a central station in Montreal, and that as soon as this government came into power, owing to the advice, not of representatives of the west, not of the mayor of Toronto or of the mayor of Vancouver, but on the advice of a revengeful citizen of Montreal, who was then mayor of that city, this government stopped the spending of this $50,000,000 for the construction of that central station, which would have given work to hundreds, yes, thousands of people in Montreal who are now starving. There are works of different kinds that might have been done in Montreal, and help in other directions might have been given to our province and other eastern provinces, which this government has not carried out. That is all we are complaining about, and I say that the Prime Minister has no right to take advantage of a situation like this to make political capital out of it, if I may use his words, and to try to say to the western people, "You see the Liberal opposition from the eastern provinces are angry at my government for having come to the rescue of you people in the west." He has no right to take this attitude and I protest very strongly against it; he should give us justice. We may be very small in his eyes, but we are the representatives of the people, and we come from a province the intentions of the people of which are, to say the least, just as good as those of the right hon. representative of Calgary.

The Prime Minister also complains that we are intentionally delaying this legislation. As far as that goes, I fully concur in what the hon. member for Vancouver Centre has said. We support this bill, but we contend that it places in the hands of the government very drastic powers. Let me ask the government this question. If they are so anxious to help the needy and the unemployed, and knowing as they do that we object to the provision with respect to peace, order and good government, and have objected to it for the past four years, then they cannot plead ignorance of our attitude to this legislation so far as that particular provision is concerned. That being so, may I ask the Prime Minister why this bill was not introduced earlier in the session. Some weeks ago the Secretary of State brought in a bill entitled an act respecting a Bureau for Translations. Mind you, that was a very pressing piece of legislation, apparently, from his point of view, so pressing that the government did not want to wait a single day to have it passed. We spent a week objecting to certain principles it contained, and week after week went by in the discussion of legislation that was not pressing at all. Instead of bringing down that legislation, why did not the Prime Minister introduce this relief bill long ago? The government brought down this bill just before the Easter recess, though the Prime Minister knew perfectly well that we on this side of the house would object to the provision with regard to peace, order and good government. They brought in the legislation practically at the close of the fiscal year, though they knew that they could not have it passed in such order;

yet, with all that knowledge they delayed its introduction. When they offer the arguments against us on this side which they have made with regard to the delay in the passing of this bill one is reminded of the tactics of an enemy during war. When they are trying to take a certain point in the opposing territory they make a screen of captive old people and children so that they will not be fired at.

An hon. MEMBER: Sit down if you can't speak.

Mr. DUPUIS: Hon. gentlemen to the right of you, Mr. Chairman, have not much charity for the people of French origin.

Mr. MANION: Nonsense.

Mr. DUPUIS: Then why should they object if I do not find the proper words to use? I am trying to do my best, speaking in one of the legal languages of the country. I am trying my best to be understood by all members of this house, but if on occasion I do not at once employ the proper word I am heckled from all parts of the other side. That is not fair. I have been accustomed to meeting numbers of English speaking people; I have spent three years at McGill university; I have known people of English origin, and the impression that I have of their fair play I do not want hon. gentlemen opposite to destroy. Let them give me fair play; I am trying to do my best. I do not even ask them to speak French although they know very well it is of great advantage to know both languages.

I say in conclusion that the government has no excuse whatever for bringing down this legislation just at the end of the fiscal year when they knew that we would object to the peace, order and good government provision, otherwise called the "blank cheque." They have no excuse for creating prejudice in favour of the west against the east when they know that not only are the people of the east glad to help the people in the west where we have relatives and friends, but the eastern provinces contribute, and are glad to, a large share of the money that is spent for the benefit of the western people.

Mr. SANDERSON: I would like to ask the Prime Minister for some information in regard to the amount which has been spent under the relief legislation in Ontario. I note from the sheet that I hold in my hand that the amounts are as follows:

Act—	Amount
1930	$ 4,692,650 50
1931	11,119,811 86
1932	7,810,208 16
1933	7,753,625 54
	$31,376,296 06

I can understand the amount being smaller in 1930 than in 1931, but in 1932 the amount was about $3,500,000 under the 1931 amount. Was there less unemployment then in Ontario, or what caused the difference between the two years?

Mr. BENNETT: The hon. member will remember that in the first year there was an appropriation of $20,000,000.

Mr. SANDERSON: I am not asking about the first year.

Mr. BENNETT: In that year there was an allocation of the money among the provinces and the total expenditure was under $20,000,000, around $18,700,000. In the next and the succeeding year the contributions were based on the amounts the several provinces were willing themselves to expend. Perhaps the hon. member will recall that the municipalities and the provinces expended certain sums of money. Then there was laid down a principle applying to all the provinces whereby the dominion made contributions in terms of the expenditures of the provinces and the municipalities. That is the reason that item is so very large, for instance in the case of Ontario, because the expenditures were based upon what the municipalities and the province spent.

While I am on my feet may I say to the hon. member for Laprairie-Napierville that he is entirely in error in his statement with respect to the attitude taken by the mayor of Montreal in connection with the Canadian National expenditure. He had nothing to do with it in any way, shape or form, directly or indirectly.

Mr. DUPUIS: It was published in the newspapers.

Mr. BENNETT: Yes; that he was opposed to it was well known, but he had nothing whatever to do with the action taken with respect to the matter. But if he had, apparently he has been vindicated for he received the largest majority a previously defeated mayor has ever received.

Mr. DUPUIS: He did not get it on that question.

Mr. BENNETT: I only point out that that is the result. Let me go one step further with respect to the matter. The hon. member has referred specifically to the city of Montreal. I desire to repeat for his information that the city makes its report to the province and from the province we receive the accounts. All the other cities of Canada, without, I think, a single exception, have sent in their accounts at the most thirty or forty days

after the expiration of the month; but for some reason, not yesterday but this morning the accounts of the city of Montreal with respect to only the months of August, September, October and November in part were received at the office of the Minister of Labour.

Mr. DUPUIS: When the Prime Minister received that report was he informed as to the cause of the delay? Because many sections of Montreal relay their reports one after another to the city hall. I was informed in Quebec city that the provincial government was awaiting returns by certain sections in Montreal to the city hall there, after which those returns have to be sent to Quebec for approval.

Mr. BENNETT: That may well be. I am not saying what the cause of the delay was between the city of Montreal and the province of Quebec. As a matter of fact we have been asking for these accounts and I shall tell the hon. member why. It will be observed that the expenditures charged against Quebec for 1933 are only about $2,500,000. We know there are many millions of dollars more to be paid and we have been anxious to get the account. Let me go further. For some reason that I cannot say except that it be the way in which the accounts are kept, this government has not been able to receive until today the accounts with respect to the city of Montreal for any month later than last July. The result has been just what I have said. The city of Montreal is clamouring for money and it must look to the government at Quebec as between itself and that government why the accounts have not been rendered.

The other evening I pointed out that the form of certificate which we exact is one which the provincial auditor and the province will sign. When that is signed in that form and sent to us we try to get the cheque out with the least possible delay, just as soon as the accounts are checked over. I am informed that the accounts received by the department this morning were six or seven inches thick and they began only with the month of August last. Why this delay should happen is not for me to explain, but it is for me to say to the hon. gentleman that when he makes the statement he does about equal justice, we expect promptness on the part of those whose duty it is to discharge their obligation without endeavouring to put the blame where it does not belong. Just as soon as the accounts are received they are dealt with promptly, and Montreal is the only city in Canada from which we have not received the accounts through the province within a reasonable time after the expenditures have been made.

[Mr. Bennett.]

Mr. DUPUIS: I just want to conclude this question by saying that when I spoke of equal justice I did not have in mind any undue delays on the part of his government with regard to direct relief; I had in mind what I have already stated—help to the unemployed, and in divers fields of activities and forms. May I say that in our province of Quebec, and perhaps I shall not be wrong if I say in Ontario also, the situation of the farmers is in some cases just as bad as that of our friends in the west. But nothing has been done for the Quebec people, although during the last election promises were made that paradise on earth should come to us. I hate to recall those promises, but the farmers of Quebec are in such need that they are just as much entitled to help as our friends in the west, yet nothing has been done for them. That is what I was saying a few moments ago; we want equal justice. The credit of our farmers is absolutely destroyed; their products remain unsold on their farms. I will not discuss the tariff question now; I just state the situation as it is. Farm after farm is being sold by the sheriff or abandoned, yet our farmers could have been rescued or helped by this government—there is no excuse for this government not helping them by a guarantee in some way or another of their mortgages. But nothing has been done. The farm loan board created by this parliament to lend money to the farmer offers unacceptable conditions, and a rate so high that the farmers cannot take advantage of it. This government knew when they came into power that they must do something for the farmers, and not only the western farmers. I repeat that I am not jealous of what the government has done for the west; they were right in doing it; it was good policy to help them in the difficulties they were facing owing to the decline in the export market for wheat. But while they have done so much for the west, what have they done for the east? Have they brought into this house a single piece of legislation to help the Quebec farmer? Take for instance dairy produce, butter, cheese; was any premium paid for butter as promised during the last election? Not a single cent; not a word of legislation was brought before this house. When a resolution designed to help the farmers was introduced two or three years ago the reso-

lution was killed; it was talked out. I believe it was the hon. member for St. John-Iberville (Mr. Rheaume) who brought in a resolution to come to the rescue of the farmers who were to lose their cows owing to tuberculosis. Well, you had hon. members on the other side speaking against this resolution, and that is all we heard from the government. What if we did as some hon. members did in 1930, when the hon. member for Haldimand and two or three of his friends came into our province before the election and allowed the newspapers to describe them as delegates from the government? Mind you, it was then a Liberal government. They let the public think that they were representatives of the government, of the agriculture committee; they came into our province and into my riding and made an investigation concerning the awful state of the farmer. Of course I do not blame them, but they brought with them my good friend Gustave Monette—I suppose the right hon. gentleman remembers that name—to interpret for them. As the hon. member for Maisonneuve (Mr. Jean) suggests, that name is in the public accounts, and I am glad for him because he is a good lawyer if he is not a good loser.

Mr. BENNETT: He wins mostly, I understand.

Mr. CASGRAIN: You are a good winner.

Mr. DUPUIS: Of course I had to smile, but my smile did not last long when I heard that Mr. Bennett was in power. I was saying that if we had the—I should not say effrontery, but if we had the audacity to make a pilgrimage into Ontario to conduct an investigation in the county of Haldimand or other counties in Ontario into the condition of the farmers we should find innumerable farmers in a state of starvation who would beg us to help them out. But we would not presume to do such a thing; we let this government go and find out for themselves. We will let the members of this cabinet find out at the next general election. The people of Ontario will soon be able to say, as will the people of Quebec and the whole country if the way this government had administered this country is satisfactory to them.

So in conclusion I say again that the right hon. gentleman should not mix up questions. I know he is very bright—and may I say that sometimes my hon. friends on this side of the house do not like me when I try to do justice to an opponent, to a political enemy, if I may use that word, although it is a little strong. But I like to render justice to whom justice is due, and so although some of my friends do not like me to say it, I shall say that I admire the Prime Minister's way of speaking. He makes a very nice speech; sometimes he is almost too sophisticated, but he puts things in such a charming way. For some time he has charmed the people of this country, but I believe his charms are fading. This country is awaiting the call, is anxious to have this government call upon the people for their judgment. So I say that this government would do better if it did not insist upon the retention of the peace, order and good government clause in the proposed legislation. We are all ready to vote for the bill with that clause omitted, because we are just as anxious as hon. members on the other side to help the unemployed and the needy.

Mr. NEILL: Coming back to the business of the committee, I wonder if the Prime Minister would give to my ignorant lay mind an explanation of a small matter. The original section reads:

> Notwithstanding the provisions of any statute or law the governor in council may—

Take certain drastic powers as regards peace, order and good government, etc. The amendment he now proposes to introduce reads:

> In addition to the provisions of any statute the governor in council may—

Take these power, etc. This is what puzzles me: if the measures that are to be taken in addition to these statutes are subject to the statutes and circumscribed by them it seems to me the ordinary laws will govern and the section will be wholly negative. If on the other hand they go beyond the existing statutes what is the need of the amendment, because it will be exactly the same as though the words "notwithstanding the provisions" were included. Does the Prime Minister follow me?

Mr. BENNETT: Yes, I follow the hon. gentleman perfectly. I pointed out the other day that the difference is purely a difference to the lay mind rather than to the legal mind, but hon. gentlemen opposite seem to prefer that the section should provide that the exercise of the powers with respect to peace, order and good government, if exercised, should be supplementary to existing legislation. I do not think it was intended that this construction should be placed upon it, but as they read it it meant that under

the powers with respect to peace, order and good government there might be an entire and utter disregard of any existing legislation, instead of being in addition to it.

Mr. NEILL: Is there any real difference?

Mr. BENNETT: I ventured to say the other day that I thought the difference was more imaginary than real as a matter of legal construction, but hon. gentlemen opposite seemed to prefer the clause in that form, and I desire to meet their wishes. That was all.

Mr. NEILL: Then we are wasting time, are we not?

Mr. BENNETT: I should think so.

Mr. SANDERSON: I should like to ask the Prime Minister for some further information. According to the figures furnished us, in the three years 1931, 1932 and 1933 there was expended by the Department of National Defence $4,683,496.90, and of that total $4,189,389.34 was expended in 1933. I should like to ask the Prime Minister, if he can give me the information, how much of that money was spent in Ontario.

Before the right hon. gentleman answers I want to ask another question, for the sake of information, in regard to the Department of Railways and Canals. We are told that this department spent $1,772,725.74 in 1931, and I should like to know how that money was spent. Was it for the purchase of ties, rails or other materials, or what was it used for?

Before I take my seat I should like to ask the Prime Minister in regard to the loans to the provinces, which are given in the summary as follows:

Manitoba	$10,286,774 34
Saskatchewan— (Including Saskatchewan relief commission)	22,579,078 16
Alberta	10,229,859 63
British Columbia	7,384,332 63
Canadian Pacific Railway Company	2,447,222 71
	$52,927,267 47

I should like to get this information from the Prime Minister, if he would be good enough to give it to the committee: Do the loans to the provinces bear interest and, if so, what is the rate of interest? I should like to ask also whether, when these moneys were advanced to the different provinces, those loans were made on the security of the notes of the provinces or how the loans were made, and whether any security was given.

[Mr. Bennett.]

I should like to ask the Prime Minister also in regard to the loan of $2,447,222.71 to the Canadian Pacific Railway, whether this loan bears interest and, if so, at what rate.

Mr. BENNETT: All the questions that have been asked by my hon. friend are answered in the orders in council that have been tabled, but I will endeavour to answer them again. I think this is at least the fourth time this year that these questions have been asked.

Mr. SANDERSON: The Prime Minister does not object to answering them, does he?

Mr. BENNETT: Not in the slightest, only I think perhaps it is not desirable that Hansard should be cumbered up by answering the same questions half a dozen times. The orders in council were tabled for the purpose of enabling hon. members to have this information.

With respect to the loans to the Canadian Pacific, they are covered by two orders in council. They were advances made for the purpose of enabling the shops to be kept open during the Christmas season. With respect to one advance no interest was charged, nor was interest to be charged; the principal was to be repaid. This was done instead of carrying on relief, and the amount saved, anticipating that the principal would be repaid in a reasonable time, is considerable as against paying direct relief to the number of people involved. The second loan bears interest and is repayable when the Canadian Pacific is in a position to pay it which, under present conditions, would seem to be reasonably within sight.

The provinces all have agreed to pay interest. The advances are evidenced by treasury bills. At first the rate was 5½ per cent; then it was 5 per cent, and I am not sure that it is not a little lower now. The rate always represents the rate at which the dominion may be able to borrow the money, plus some small fraction of a per cent which may be necessary for the purpose of paying the cost of taking care of the matter. There is no security on a treasury bill given the dominion, any more than there is with respect to a treasury bill given by the dominion or by any province. There is no form of security that the province could give except evidence of their indebtedness by a treasury bill. The amounts expended by the Canadian Pacific—

Mr. SANDERSON: If the Prime Minister will permit me to interrupt before he gets to the Canadian Pacific, will he tell me if there are any arrears of interest due from the provinces?

Mr. BENNETT: Some of the provinces have been unable to pay, and my memory is that they have capitalized their obligations by furnishing treasury bills for the interest as it fell due. It is self-bearing interest, which of course means compound interest, but to the extent of their ability the provinces have discharged their interest obligations.

The amount mentioned with respect to the railways has been the subject matter of much discussion in the house. The money was spent for ties; there was some work given with respect to a subway which I mentioned the other day, and some extra work was undertaken on the Welland canal that was not within the appropriation for the completion of the canal. Those were the items which, in the aggregate, comprised something over $2,000,000.

Then with respect to the question my hon. friend asked dealing with the camps under the Department of National Defence, I cannot give all the details that are asked. These camps were an experiment in 1932; in 1933 they became very widely established all over Canada, and I suppose the hon. gentleman has read what was said by a distinguished ex-minister of Great Britain as to the way in which that work was conducted, and the credit which he gave to Major General McNaughton, who is in charge of those undertakings. I cannot say at the moment how many camps are being operated in Ontario; if the hon. gentleman had mentioned the matter yesterday I would have obtained the information. I believe I can secure during the dinner recess figures showing the number of men in the camps in each of the provinces, but I cannot give the information now. I can state, roughly, that at one time the number was about 21,000, but because some of the men have been leaving and going into industry it has become smaller. General McNaughton informed me yesterday that the number who had left the camps to take positions amounted, in the aggregate, to 9,000 men. These men have left camps and taken more permanent work. That is one of the conditions under which they are employed. If they desire to leave they are at liberty to do so, because the money they have received is not by way of wages but rather to enable them to obtain some of the comforts of life, and they are provided with food and clothing. Those who are in a position to speak—and I do not regard myself as an authority—and the people who have inspected the camps, have spoken in commendation of them.

Mr. SANDERSON: When the Prime Minister is getting that information I wonder if he would ascertain how much of the four million odd was spent in Ontario.

Mr. BENNETT: If the hon. member so desires, I shall get that information some time before the third reading of the bill. As I understand it I am to secure for him, first, a statement showing the amount expended in Ontario under the national defence relief camps; second, a statement of the number of camps throughout Canada and where they are located; and, third, so far as possible the number of men in the camps.

Mr. SANDERSON: Yes.

Mr. CASGRAIN: In the information supplied by the Minister of Labour I find under the heading "1931 act" a disbursement by the Department of Public Works of $1,726,732.64, and under the 1932 act a disbursement of $6,904.43. May we obtain information as to what money was expended, and how it was expended, for these various public works, and what kind of public works were carried on as relief measures?

Mr. BENNETT: May I say, in fairness, if the hon. gentleman desires that information, that those are the figures for 1930 and 1931. Accounts were filed and reports tabled, in which every detail was shown. Every detail for 1933 is in the printed report, and I hold in my hand a report for the year 1931 which, at pages 60 and 61, give details of public works expenditure.

Mr. CASGRAIN: The right hon. gentleman has answered questions concerning other years, and I wanted to get the information.

Mr. BENNETT: The reason I answered the questions with respect to the national defence camps was because the report in connection therewith has not yet been tabled. The report concerning 1931 expenditures was tabled long ago.

Mr. HANBURY: Mr. Chairman, yesterday the hon. member for West Lambton moved an amendment to the clause to which the Prime Minister himself has now moved an amendment. Consequently I wish now to move a subamendment to the amendment now before the committee.

Mr. BENNETT: I think we should deal with one amendment at a time. As soon as this is disposed of, the hon. member could move it.

Mr. HANBURY: It is the Prime Minister's amendment that we propose to amend.

Mr. BENNETT: It is an addition to it.

Mr. HANBURY: Yes, an addition to it.

Mr. MACKENZIE (Vancouver): The amendment moved by the Prime Minister disposes of the present subsection (b), as it exists, and the amendment of the hon. member for West Lambton would be the new subsection (b) of what would be the new section 2.

Mr. BENNETT: Quite so.

Mr. MACKENZIE (Vancouver): The amendment now moved will be the new section 3. There is a slight anomaly in the amendment now moved in that it destroys subsection (b) and creates another section. It would be easier to delete subsection (b) and insert the new section 3, because some of us prefer the words "in addition to" to the words "notwithstanding the provisions of." At the same time we are opposed to the amendment because it includes the words "peace, order and good government."

Mr. BENNETT: I think the hon. member will agree that it had to be framed so as to offer some substitute. Voting for this, as section 3, does not in any sense imply that an hon. member does not oppose subsection (b) of section 2.

Mr. MACKENZIE (Vancouver): There will be no objection to going back to section 2 and moving the subamendment.

Mr. BENNETT: No, not at all.

Mr. HANBURY: The hon. member for West Lambton made reference yesterday, in giving his reasons for the amendment, to the ability of the governor in council to take any action it might consider advisable to protect and maintain the credit and financial position of the dominion. I believe that phrase is now in the amendment before the committee.

Mr. BENNETT: The new subsection 3 will cover it.

Mr. HANBURY: The new subsection 3 is what we are considering at the present time. Consequently the amendment I have to submit would be an addition to the proposed new section 3 now being considered by this committee. I therefore move:

That section 3 of the said bill be amended by adding thereto, as clause (b) the following words:

(b) Nothing in this section shall be deemed to authorize the governor in council to loan, or advance money to, or guarantee the payment of money by any public body, corporation or undertaking.

The CHAIRMAN: Shall the amendment carry?

Mr. BENNETT: No; we have taken the words from the statute.

Amendment negatived on division.

The CHAIRMAN: The question is now on the amendment of the Prime Minister. Shall the amendment carry?

Mr. MOTHERWELL: Mr. Chairman, I wish to say at the outset that I have not been following this debate very closely, because my mind was pre-occupied with what, to me, is a more important measure, namely, the natural products marketing legislation. However, I am also interested in this very important matter, and wish to associate myself with hon. members on this side of the house who, thus far, have conducted the debate. One point I wished particularly to make, and that is the total aggregate of guarantees given under the guise of relief legislation. From what I have heard in this house on various occasions I am familiar with several of them and particularly one given to the Canadian Pacific Railway for $60,000,000, and another given to the Beauharnois enterprise. I stated last year that without such guarantee the Beauharnois enterprise would have been only a junk pile. I am not particularly opposed to the guarantees, but I do object to the arbitrary manner in which they are being given, the secrecy with which arrangements are carried out, and the very limited control parliament has over such expenditures. I had risen to make these remarks some time ago when a point of order, which I thought had been disposed of, was being considered. I have had some experience, myself, in a small or provincial way, in connection with government guarantees, not of this nature perhaps but guarantees of farmers' enterprises in the west—a line of cooperative elevators in Saskatchewan, for example, in connection with which a guarantee was given. Capital expenditures have been advanced and a line of trading credit was given, but there was no attempt to keep it secret or under your hat, as is being done in

connection with this wheat guarantee under the cover of relief legislation. How am I going to get the aggregate of all these guarantees when one of the important ones, wheat, is withheld?

I do not think I am open to the objection of being factious in my desire to get this information. I have taken this attitude for the last two years that parliament should know what amount of money is involved with regard to this wheat guarantee. Information of this kind was constantly forthcoming from month to month from Washington in the press dispatches with respect to similar guarantees in that country. There was no attempt to keep the information from their public, and why it should be done here is a question we are asking ourselves, unless the government can give good reasons why the information should be withheld. The only reason so far given is that there is a danger that it would adversely affect the price of wheat if the public knew how much wheat Mr. McFarland was holding in one form or another. But we are not asking for the amount of wheat. Like some of my colleagues I have been desirous of getting the amount and limit of that guarantee. Otherwise I do not know the aggregate guarantees that have been given under the Relief Act. I know in a general way that there has been about $110,000,000 given for real relief in one direction and another, but we know nothing as to the amount of this wheat guarantee and the extent of the annual line of credit.

I would appeal to the Prime Minister himself. I was for a short time as an onlooker in the banking committee and I heard members from the government side taking the ground that that information should be given. It was a guarantee given by the government of a trading account of Mr. McFarland's. It was public money and credit behind that line of credit, and naturally it was a matter of public interest all over Canada because the whole of Canada is behind and possibly involved in that guarantee. It may be urged that we cannot press for this information because the question is being considered by the banking committee but how can we justify giving the government another blank cheque until the previous one is fully accounted for? That is what gets me. That is not taking a pernickity attitude at all or quibbling. If any employee of a business firm is given a sum of money for his expense account when he comes back at the end of his trip he has to account for his expense money before he gets another advance for expenses. And so with this. Each blank cheque should be fully, not partly, accounted for before the government comes to us and asks for another.

Before I say any more, will the Prime Minister tell me where I am wrong in that attitude? Is it unreasonable? I have not, as I said before, been endeavouring to block this legislation at all. I want to get out of here as quickly as possible. There is an election coming in Saskatchewan, and I say quite frankly I want to be in that. I have a very strong desire to get home for that and for other purposes, and I would like to be able to tell my people what all this row is about, and what this blank cheque was used for. I thought that this blank cheque method and the provisions regarding "peace, order and good government" were finished with. In addressing public meetings I do not want to have to dwell on all these details as to why some guaranteed amounts were freely given by the government while the wheat guarantee was refused. I could tell them quickly if I had the total amount, if I could say it was four hundred millions or some other amount in round figures. That could be done in half a minute. But if I have to explain that there is an amount in question that is being withheld by the government they will want an explanation of what it is all about and I do not know yet myself. But rest assured that as long as that information is withheld everybody will put his own interpretation on why it is withheld. I do not want to impute motives or anything like that but when the government takes this extraordinary attitude you are bound to come to the conclusion that it is for reasons that have not been revealed to the house. That is only human nature ,and nobody can be accused of doing anything wrong in making such deductions. I have been in government circles a long while and I have been accustomed to people coming to me with wonderful designs, plans for patents, schemes for this that and the other thing but almost invariably when you inquire into the cause of all their anxiety and interest you find that frequently they want a loan or a job of some kind in connection therewith. In short, they have some axe to grind in most cases.

Now in the case of this wheat guarantee the government persists in refusing to tell us the amount of it. Hon. members will probably each draw their own conclusions as to why this information is being withheld may do far more injustice and far more damage to the government and no particular credit to ourselves in drawing on our imaginations as to what might

be the reason. But you cannot prevent that from happening because the extraordinary course being pursued by the government of withholding something that as a matter of fact the government should have no hesitation whatever in giving because it would not have one particle of effect on the price of wheat.

Let me refer to some of the circumstances in connection with the guarantee of the co-operative elevators in Saskatchewan back in 1910. Instead of concealing the amount we actually boasted of it, especially at election times, and said: "There is what we have done up and above board to promote the cause of the farmer"—and not one dollar was lost in guaranteeing that line of credit for the co-operative elevators in Saskatchewan.

The CHAIRMAN: It is almost six o'clock.

Mr. BENNETT: In view of the very apparent desire to rediscuss this matter which has been already twice this afternoon set out in its entirety I move, Mr. Chairman, that the committee rise, report progress and ask leave to sit again this day.

Motion agreed to, on division.

Progress reported.

Mr. BENNETT: We will take supply, agriculture, after eight o'clock.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

SUPPLY

DEPARTMENT OF AGRICULTURE

The house in committee of supply, Mr. Stirling in the chair.

Fruit, including grant of $4,500 to Canadian Horticultural Council, $425,053.

Mr. MOTHERWELL: My first word will be to congratulate the minister on retaining the grant to the horticultural council. I am not even going to ask him why he has retained that grant and eliminated the one to the national dairy council, but possibly he will give us a synopsis of what the situation is on the western fruit front, the eastern fruit front and the central fruit front, with regard to pests. Have new insect pests been infecting the fruit of the country and have old ones been surmounted? Any news of interest to the committee will be welcome, and if the minister will give us this information it may save a lot of questions. He might also tell us whether there is any danger looming up in the offing of the likelihood of the British government applying a quota to our apples or other fruit. If the minister would start with that he could then glide on to the other question with regard to the pest situation, and the quality standing of our fruit. I am also interested in how he is getting on with the inspectional work in the maritimes, which was not an easy matter at the start. Under his administration it has been considerably improved I understand. Shipping point inspection has always been sound, and while the maritimes took it up reluctantly I think it has made great progress.

Hon. ROBERT WEIR (Minister of Agriculture): There has been no official intimation that any restriction will be placed upon the shipment of our fruit to the United Kingdom, and no new injurious insects have made their appearance during the past year. Perhaps in this connection the most important work has been that done in Ontario and Nova Scotia through the formation of combined advisory committees—that is, committees formed by officials in the provincial departments together with the officials in the federal department and those outside either department—to make a survey and decide the best plan of action to reduce infestation by the apple maggot. Both provinces have been one hundred per cent behind this campaign, and the results of the campaign in both Nova Scotia and Ontario have been, I am very glad to say, much more satisfactory than even the most optimistic expected in view of the very great infestation that has taken place in the provinces affected.

As the hon. member for Melville stated, there has been cooperation between the government of Nova Scotia and the federal government with respect to orchard inspection for apple maggot infestation, which for some time had caused a good deal of concern and irritation. There is now enforced shipping point inspection for apples for export, and the fruit growers are fully alive to the necessity of enforced and rigorous inspection of all kinds, especially in connection with fruit for export.

Mr. MOTHERWELL: I suggest to my hon. friend that until we can get outside inspectors to do the inspection in these various districts, including the maritimes, we shall always have some difficulty in getting exact and reliable inspection. Whether it be in regard to school inspectors, or bank inspectors or railway agents, the head men of each such institution usually find it advisable to change

inspectors around. During my experience with the maritimes, and with other places as well but particularly the maritimes, I found that they were intensely wedded to the idea of local inspectors for each constituency, and it was almost a sacrilege to suggest that anyone outside should come in and inspect apples —I am speaking of about ten years ago. I was glad to note some betterment, though not to the extent that I should like to have seen. Local influences are very strong in support of having local men, and so long as that continues it will be very difficult to obtain proper inspection of fruit, because of the tendency to be a little easy with neighbours. That however can be overcome very largely when they get it into their heads that the certificate of the government behind any product must be lived up to or it is not worth the paper it is written on. In the early days our wheat certificates had not the value they acquired later on. Of course, the certificates always had a fair value, but they must have a proven value, backed by a number of years' experience on the part of buyers, and once the buyers are fully confident that the certificates are bona fide and that the article in question is up to the standard certified to, the certificate is of inestimable value in selling the product. I am not saying that the maritimes are worse than others in this prospect anywhere else, but they have not become quite familiar with the idea and advantage of outside inspectors. A consignment of potatoes and apples was once shipped up to the old fruit branch building here and examined—the fruit commissioner sitting in front of the minister will recall the time—and when the barrels were opened and inspected, it was a holy terror, what they contained. That day, I hope, has gone by, and if the inspection is further tightened up there will not be a recurrence of such an experience.

In 1928 I was at Covent Garden in London, the most wonderful horticultural market I have ever seen, and they knew much more about Canadian apples than I did. They knew all about the British Columbia apples and about the determination of the fruit growers there to live up to standard. They also spoke highly of the Ontario apple and were delighted also with the maritime apples, as to quality, which could not be better; but, oh dear, they were disappointed about the packing, and those buyers stated candidly they wanted to know what was in the barrels before they would do any bidding on them in the auction rooms.

I am speaking candidly but I hope not harshly; but unless the inspection of fruit is followed up continuously and outside inspection employed the ones who are putting up a good pack are disposed to become indifferent if the others are not doing the same. I make these suggestions believing that great progress is being made, but it should be accelerated, because in this day of overabundance it is becoming harder and harder to sell a poor product, while on the other hand there is always a great advantage in selling a good product, because it helps greatly to sell itself.

Mr. WEIR (Melfort): What the hon. member has said is very true about local pressure being brought to bear upon inspectors who are appointed locally. I believe what has had a good deal to do with the change in attitude in this connection has been realization on the part of fruit growers of the importance, especially in connection with export, of a very thorough and rigid inspection. In Nova Scotia in particular a very definite effort is being made to improve the quality of the pack with especially good results. As the hon. member has said, one of the chief criticisms of Nova Scotia apples for export has been in connection with the quality of the pack. In view of what has been said and of the difficulty in many cases in the work of inspection, it would be interesting to the committee to receive a condensed summary of the inspections. In the whole dominion during the past year the paid inspections numbered 26,681, the reinspections asked for numbering 245, or a percentage of all inspections of .92 per cent. After reinspection by other inspectors reversals in certificates were only 16 or a percentage of the total inspections of .06, which I think is the finest compliment we can pay to the thoroughness of the work of our fruit inspectors.

Mr. RYERSON: Is there a charge for that inspection?

Mr. WEIR (Melfort): Yes.

Mr. RYERSON: Why should there be a charge for the inspection of fruit when as regards almost every other commodity such as meat, bacon and so on, the inspections are given free of charge? It has always been a wonder to me why there should be this charge for fruit inspections.

Mr. WEIR (Melfort): The reason for the charge for fruit inspection is that it was at first instituted at the request of the growers themselves and it has been continued or extended from time to time, at the request of the industry. There are other products the inspection of which has to be paid for: grains, grass seeds, hay, turnips, potatoes, grapes,

tomatoes. These inspections also are made at the request of the producers. Personally, I feel the tendency is toward paid inspection for all these products, the industry feeling that if they pay they will have a better claim to ask for further and more specific inspection for the commodity as they realize the importance of the inspectional work.

Mr. RYERSON: Why should that not apply to meat inspection in the same way?

Mr. WEIR (Melfort): I believe it should and perhaps in a very reasonable time it will.

Mr. ILSLEY: I do not know whether I caught the remarks of the minister aright, but I understood him to be expressing satisfaction with the work of the inspection staff in Nova Scotia.

Mr. WEIR (Melfort): Yes.

Mr. ILSLEY: I want to say in all sincerity that if the minister thinks the inspection of fruit in Nova Scotia as carried on by his department is or has been satisfactory, he is making a very great mistake. I have discussed this matter a great deal lately with fruit growers in Nova Scotia. Many of the troubles of the fruit industry there are due to the incompleteness and inefficiency of the fruit inspection. Of course when I say that the packing and grading of apples in Nova Scotia are not what they should be, I know I am to some extent reflecting upon the packers and shippers themselves, but at the same time that is no excuse for the unevenness, lack of uniformity, of the inspection of fruit in that province. During the past season there was a very heavy crop, between two and three million barrels being grown in Nova Scotia, most of which were of course exported to Great Britain; and in conversation with buyers of apples I have been struck with the necessity that exists for improvement in the inspection of fruit in that province. I should like the minister to take this matter very seriously into consideration. This is perhaps the only time in the last two or three years that I have spoken about inspection, because what is called one hundred per cent inspection was put into force only in the fall of 1930 and the fruit growers and shippers in Nova Scotia have been disposed to give the system a fair trial to see whether it would work out. But members of the committee will realize that there has been a great change in the system since compulsory inspection was adopted. Before 1930 prosecutions were possible; penalties were imposed upon fruit growers and packers who did not comply with the grading regulations. But under the system under which all fruit for export must receive an inspection certificate, the mere granting of the certificate is prima facie evidence and, I think, conclusive proof, that the apples are properly packed, and if I am correctly informed no prosecutions take place at the present time because the inspectors are not supposed to pass the fruit unless it is packed up to standard. There is no question that there has been passed by inspectors a great deal of fruit which does not comply with the grading regulations. If the minister thinks, as his remarks would indicate, that the inspection has resulted in the fruit all being packed up to standard in that province, he is very much mistaken. I feel constrained to express myself as forcibly as I can upon this subject. The easy thing to do would be to say that we are doing very well in the packing of our fruit in Nova Scotia, and the majority of the fruit packers are doing very well, but there is a minority in that province that are not complying with the law. Some of them are not trying to comply with the law, and some of them, due to the great pressure of work during the past heavy season, did not comply with the law, putting, for example, 800 barrels of apples over a grader in a day when 400 barrels should be the limit, or a warehouse handling 200,000 barrels of apples in a season when it ought to try to handle only 100,000 barrels. These conditions lead to even the most honest warehouse foremen and managers turning out packs of fruit which are below grade. I would ask the Minister of Agriculture with the greatest possible earnestness to consider very carefully the improvement, by any method that his fruit branch may advise, of the inspection services at least in Nova Scotia.

Mr. WEIR (Melfort): I appreciate very much the fact that the hon. member who has just spoken comes from a fruit growing and, in particular, an apple growing district. I find difficulty, however, in being able to understand the sweeping statements that he has made, in view of the fact that fruit growers especially those who pay for their inspections are, because of that, not at all hesitant or backward, so far as we have found them, in laying complaints about poor inspection. Last year's crop was practically double that of previous years. The number of barrels from Nova Scotia was as follows:

	Barrels
1930	1,172,000
1931	1,427,000
1932	1,054,000
1933	2,125,000

The number of barrels therefore in 1933 was more than double the number in 1932, which no doubt taxed our inspectors to the utmost. Some difficulty was experienced in enforcing the regulations, but there has been no official complaint received from the fruit growing bodies of Nova Scotia, and if this has been known to the hon. member for Hants-Kings (Mr. Ilsley) for some time I cannot help feeling that it is regrettable that it was not brought to the attention of the department sooner.

Mr. ILSLEY: The season closed only recently, and one has to get a picture of the cumulative effect, and find out just what has happened on the English market. One thing that brought the matter to my attention was a speech made by the Minister of Agriculture in Nova Scotia on his return from the United Kingdom in February. While he did not expressly go into the question of the pack, anybody reading that speech and following it closely could not fail to realize the great regret he had that our apples as opened up on the British market had not been better graded and packed. It may be that I should have gone to the minister with this complaint before, but I must say that it was never borne in upon me as it was during the last two or three weeks, when I discussed the matter with a great many growers and shippers in Nova Scotia. There is a feeling on the part of the people engaged in the business there that they want a stern, rigid and thorough inspection of apples, and that they did not have it during the past season. In saying that I am not attacking all the inspectors; many of them have been doing the best they could; the trouble may be, as the minister says, due to the great size of the crop. But provision must be made for these heavy crops in future and more attention given to inspection by the department.

Mr. WEIR (Melfort): I appreciate very much the fact that this desire for a rigid inspection is evidenced by the fruit growers of Nova Scotia, because it is a very healthy sign. On the other hand I am still at a loss to understand, having regard to the hundred per cent effort on the part of the province and the federal department of agriculture to work in cooperation, why the Minister of Agriculture for the province has not communicated with the federal department with a view to planning a more rigid inspection. Doubtless however he will do so in the near future so that every preparation may be made to remedy any weakness in the inspection service.

Sir EUGENE FISET: May I ask if this vote covers the salary of both fruit and vegetable inspectors?

Mr. WEIR (Melfort): Both.

Sir EUGENE FISET: Then I would call the attention of the minister to the fact—and I think he knows about it—that at the present time in the counties of Témiscouata, Rimouski and part of Matane there is no inspector of fruit and vegetables owing to the death of inspector Desrosiers? I have received numerous letters from cooperative societies in these counties asking me to try to ascertain from the department when a new inspector will be appointed.

Mr. WEIR (Melfort): My information is that following the death of Mr. Desrosiers and until a successor could be appointed one of our inspectors from Montreal was sent to that district immediately to carry on the work temporarily, until steps could be gone through to appoint a successor.

Sir EUGENE FISET: I have been informed that this inspector was there not permanently but just now and then. Of course I suppose it is a matter of political patronage. The inspector we had was one of the best qualified inspectors, and I quite realize that the minister finds it difficult to get a well qualified inspector owing to the fact that the man appointed must be able to speak both French and English. I have submitted to the minister the name of a well qualified man, who by the way, belongs to the Conservative party; therefore from a political point of view there should be no objection. I hope the minister will take action to appoint a permanent inspector as soon as possible.

Mr. WEIR (Melfort): Of course the appointments are made by the civil service commission.

Mr. NEILL: May I ask the minister if he has printed and promulgated the regulations under the Fruit and Honey Act passed about three weeks ago?

Mr. WEIR (Melfort): No, not yet.

Mr. NEILL: It will be remembered that he said they were "being drafted now and will be submitted at the earliest possible date after the bill passes."

Mr. WEIR (Melfort): They will first be submitted to the growers themselves. They are in shape now to be sent out for their approval at the beginning of next week.

Mr. DUPUIS: Will the minister give us a list of the fruits and vegetables included in this item, and say what was the total production for each and the total consumption in Canada?

Mr. GAGNON: Oh, oh.

Mr. DUPUIS: I understand my hon. friend from Dorchester is answering for the minister with his laugh, but I hope the minister will not consider that that is satisfactory.

Mr. GAGNON: My laugh was because the question is foolish.

Mr. DUPUIS: I beg your pardon? Of course I do not like to make any theatrical scene here, but the hon. member is not what I thought he was. He says that the question is foolish. I hope he will withdraw that right now without the obligation being enforced by the chairman.

Some hon. MEMBERS: Withdraw.

Mr. SPOTTON: "Infantile" might have been a better word.

Mr. DUPUIS: Will the minister allow me to ask that the very pretentious member for Dorchester put himself on the level of his pretensions to be polite at least? I ask him to withdraw, otherwise I ask you, Mr. Chairman, to oblige him to withdraw. We are not in a barn here, we are in the House of Commons, the most solemn assembly in this country.

Some hon. MEMBERS: Withdraw.

Mr. GAGNON: If the hon. gentleman wishes to ask me a question I think he ought to obey the elementary laws of decency. He said I was a most pretentious member. If he wishes to withdraw that remark—

Mr. DUPUIS: I am sorry to disturb the committee with this nonsense.

Some hon. MEMBERS: Hear, hear.

Mr. DUPUIS: Yes, "hear, hear." The nonsense is from your right, Mr. Chairman. How could an hon. member with the pretensions of the hon. member for Dorchester say to one of his colleagues, on whichever side he might be, that he puts a foolish question when I am trying to help the committee to settle a question that is of importance to agriculture? So if my hon. friend forces me to do it I am putting a point of order: I submit that the remark of the hon. member for Dorchester was unparliamentary and that he should withdraw it.

[Mr. R. Weir.]

Mr. GAGNON: I will leave that to your judgment, Mr. Chairman. I understand the hon. member is asking the Minister of Agriculture to give the full list of all fruits and vegetables produced in Canada, with figures of production and consumption. He might have forgotten one detail; probably he wanted to ask the number of fruit inspectors, but he did not say so. So I submit that an hon. member who asks such a question is not serious; in my humble opinion it is a foolish question.

Some hon. MEMBERS: Order.

Mr. DUPUIS: On a point of order—

Some hon. MEMBERS: Withdraw.

The CHAIRMAN (Mr. Stirling): The hon. member for Laprairie-Napierville has raised a point of order, and I suggest that it would be desirable for the hon. member for Dorchester to withdraw the word "foolish."

Mr. GAGNON: I gladly submit to your ruling, Mr. Chairman.

Mr. WEIR (Melfort): Mr. Chairman, all the information requested is not available. I should be glad to give the information I have, though I feel that it might be more satisfactory if I were to look at the question in Hansard, and then I should be glad to supply the hon. gentleman with all the information available.

Mr. DUPUIS: Would it be possible to obtain from the minister also the consumption in Montreal and the importation from other provinces? If I put a proper question at the proper time could the minister tell me, for instance, the consumption of potatoes in Montreal and the quantity imported from other provinces or other countries, and could I obtain the same information with regard to other fruits and vegetables? Is it possible for this department to give me that information?

Mr. WEIR (Melfort): Not accurately. We could tell the number of carloads arriving at that point, but if there is any information that we can give after we see the question in Hansard we shall be very glad to supply it.

Mr. DUPUIS: I thank the minister. Now I should like to know whether there are inspectors stationed at the public markets to check the classification of fruits and vegetables and, if so, whether the minister was able to appoint citizens of the province of Quebec able to speak both languages. I understand that last year there were many

cases of, I will not say, the abuse of power, but where the rules and regulations were drastically applied by inspectors who could not explain themselves in the French language. I made complaints, not because I have any prejudice against any citizens of this country but because it was a case of public necessity. Let me give an illustration. An inspector is stationed at the Bonsecours market in Montreal, and he checks up a farmer who has not classified his potatoes properly. The inspector speaks only English and the farmer speaks only French. The farmer may think the inspector is talking about the weather instead of about potatoes. I am only speaking from the practical point of view, and I should like to know if the minister can tell me that this year the inspectors will be able to make themselves understood in both languages in regard to this classification of fruit and vegetables, of which I am in favour so long as it is carried on in a spirit of cooperation.

Mr. WEIR (Melfort): I have a very full appreciation of the importance of inspectors engaged in this work, in which they have to give reasons for their actions, being able to express themselves clearly in either English or French. As I said before, the appointments are made by the civil service commission, though sometimes we have to send additional inspectors to cooperate with and assist the bilingual inspectors at certain points. In this connection every effort is made to see that the inspector will be able to make himself understood in both languages. Should there be any criticism in this connection, though the appointments are made through the civil service commission, I should be very glad to bring the matter to their attention and to do everything possible to correct the situation.

Mr. DUPUIS: I am very grateful for these remarks by the minister. I should like to remind hon. members that if they had an inspector on the Toronto market who tried to talk with the farmers in French I am sure they would not endure that situation for very long, and I would not blame them. Last year, if I am not mistaken, the inspector in charge of the Bonsecours market in Montreal was a gentleman named Robinson.

Mr. WEIR (Melfort): He was the district inspector.

Mr. DUPUIS: He was the one who applied the law; he was the one who had our farmers arrested and brought before the criminal courts for having forgotten to put cards on the bags of potatoes stating the grade of the contents. I remember that I represented those farmers several times, sometimes half a dozen, sometimes more and sometimes less, and the penalty was $10 and costs for having forgotten to put their names and the grades on the bags of potatoes. I tried to induce the inspector in charge to have the cases postponed, but he absolutely refused to do so. The cases came before Hon. Amedée Monet, and I asked for a delay of one week so that I could confer with the Montreal minister, the Minister of Marine, who, may I say in passing, was kind enough to take up this matter and bring it to the attention of the ministry. The inspector in charge, however, absolutely refused to agree to a delay or postponement, because the offence was so great. I said to Judge Monet, "A moment ago a man accused of manslaughter was granted a postponement of fifteen days. I wonder if the chief inspector considers that the failure to attach a card showing the grade is as serious an offence as that of manslaughter." It was only after that remark to the judge that I obtained a postponement to enable me to communicate with the Minister of Agriculture, whom I know to be a gentleman and one who wishes to give justice to those to whom justice is due. I said to the Minister of Marine that I wanted him to bring this matter to the attention of the Minister of Agriculture, because I was sure he would not allow such a condition to exist. What occurred? I remember on one occasion I met an inspector who was able to speak both languages, and I was told by him, "I would be ready to be lenient in a first offence but the chief inspector said, 'Let those Frenchmen pay their fines; that is all they deserve'." So I protested and said to the chief inspector, "You must remember that we are all citizens of this country; we are British subjects, and we do not deserve the treatment you are giving us." He protested and denied what he had said. I would not name the inspector, because he asked me not to name him because he might lose his job. I say that if that chief inspector had spoken both languages probably he would have understood the intentions of the farmers, and he would not have been so drastic and have imposed such severe penalties for such a trivial offence as the one of which the farmer was accused.

Mr. WEIR (Melfort): The statement made by the hon. member with reference to the inspector making such a statement about his French compatriots is indeed a very serious one. I do not think it would be fair to the

staff that that statement should be allowed to stand on the record without having evidence to substantiate it. I can assure the hon. member that if such evidence is submitted to the department there will be no delay in removing the responsible official. In view of the fact that a board sits and is responsible for the selections made I cannot credit the suggestion that such a thing could occur. Reference has been made to the fact that the district inspector would not be lenient, and that the work had to be proceeded with. I hesitate to say what I am about to say but I believe no hon. member can take objection to my statement that the department of agriculture of the province of Quebec has approached us in connection with making a greater effort towards rigid inspection and compliance with the regulations. We appreciate the attitude of the provincial department. They have appointed twenty-one men to cooperate with our men. Up to this time it has been the policy of the federal inspectors not to prosecute on a first offence.

Mr. DUPUIS: That is what they did last year.

Mr. WEIR (Melfort): Yes.

Mr. DUPUIS: I suppose on this occasion they were setting a good example.

Mr. WEIR (Melfort): We believe that in a first offence, especially where the people involved are not to any great extent engaged in trade, we should not prosecute, except in those cases where the offences are deliberate. In very close cooperation with the provincial department of agriculture and the provincial government, we are endeavouring to carry out their wishes, and to do a service which they feel is most essential to the improvement of the marketing of their own products. I should again like to remind the hon. member, however, that in fairness to the staff of inspectors evidence should be submitted to prove beyond doubt the accusations which have been made because, in my estimation, nothing could be more regrettable.

Mr. DUPUIS: Mr. Chairman, I did not make the statement with a view to forcing a man out of his job.

Mr. WEIR (Melfort): He should not be on the job.

Mr. DUPUIS: At the time of the occurrence I settled the matter with the gentleman in question, and I know that he did not repeat his statement. Of course, if at that time I had been narrow minded enough to proceed I would have had to consider that if the statement had been made it was made only after a very heated discussion. Nevertheless, I am broadminded enough not to throw a man out of work because of an imprudent word uttered under abnormal circumstances. The consequences, as I have said, would have been to throw the chief inspector out of employment, and the gentleman who gave me the information would have been faced with a similar difficulty. I thought the consequences were too heavy to make a complaint. People often come to my law office and ask me to sue for damages occasioned by similar utterances. Probably some man will call his neighbour a thief, or will make some other unfortunate reference. I always advise these people to forget their grievances, when the utterances complained of are made under circumstances such as I have described, in which people lose their tempers.

I raise the question only with this in view, that I believe the minister should put at the head of the department in Montreal a citizen of that city or one of the province of Quebec who speaks both languages fluently. The gentleman might be of Scottish descent, a condition which would be most acceptable. Then he might be of English stock, which might be just as good an arrangement. In fact, the person appointed could be of any race, provided he could speak both languages fluently. That is the condition I should like to see imposed. I believe if my suggestion were accepted it would be beneficial to the department and to the farmers concerned, but I do not blame the provincial government for asking the cooperation of the federal authorities. May I say that I am speaking particularly on behalf of the farmers of Laprairie and Napierville who are intensive producers of vegetables, and who are anxious to cooperate with the government in the classification of their products. I believe if prudent steps are taken no difficulty will be experienced with the farmers in my constituency, and if, as has been explained by the minister, the department now notify the farmer before taking proceedings I believe conditions will be satisfactory.

I said last year to the chief inspector, "Why do you not send a notice to the farmer in the first instance? Why do you go after these farmers as thieves in the night would do without first sending them a notice?" I must say that I did not see on the market any of the inspectors named by the provincial department of agriculture, although some may now be operating. At the particular time about which I speak there were no provincial inspectors. But if the provincial officials are at fault I would be just as ready to blame

them. I am a Liberal, but not Liberal enough to swallow any unjust practices, even if they come from Liberals. I ask for justice, and that is all. Even if the inspector at fault had been nominated by the provincial government I would rise and protest against his action, because we are looking for justice and I believe that on both sides there is the intention to help the farmer.

Mr. WEIR (Melfort): With reference to the inspectors being appointed by the provincial government I hope I made no statement that would lead anyone to think that I was even implying that this inspector was one of the provincial government appointments. The only point I was trying to make was to show the effort and concern on the part of the provincial government that this whole matter of inspection should be tightened up and to assist in that they had appointed twenty-one inspectors. I must differ however, with the hon. member when he says the punishment would be too severe. I do not think it is so much a matter of the punishment being too severe as whether or not the man is qualified for his job. If the statement attributed to him was made I do not think he is qualified for the job, and even at this time I think steps should be taken to remove him.

Mr. SANDERSON: I should like to bring to the notice of the minister a matter of which he has perhaps full knowledge, and that is in regard to the apple bearing trees especially of western and central Ontario. My information is that owing to the abnormal sub-zero weather of last winter about fifty per cent of the apple trees have been killed. Has the minister any information in regard to that? I want it to be thoroughly understood, Mr. Chairman, that in bringing this matter before the minister I do not blame the government for this destruction. The government gets blamed for very many things without that. I am mentioning the matter because I thought the minister might have some statement to make.

Mr. BOUCHARD: The government made no promises about the trees.

Mr. WEIR (Melfort): I am afraid it is all too true that the sub-zero weather on a number of successive days has been very injurious to the apple trees not only of western Ontario but of eastern Ontario. There are those who feel not only that this year's fruit crop will be very seriously affected, if not in some cases wiped out one hundred per cent, but that the apple trees themselves because of the particular time at which the sub-zero temperatures came, will be killed. But I think it is too early yet to make a statement such as that. Our people have investigated the bark of the trees to the cambium layer, and their investigations have shown them that in some instances it has almost been destroyed, that this layer adjoining the bark through which the sap passes is injured and the bark can be pulled off readily by the hand. But personally I think it is too early to make any estimate of the lasting damage that may have been done to the apple tree. Certainly, however, there has been very serious injury.

Mr. SANDERSON: I suppose I may take it from the minister's remarks that he and his department are fully aware of the situation and have it under consideration, and that they will consider it in the light of how the interests of the apple growers may be affected.

Mr. WEIR (Melfort): Yes.

Mr. ILSLEY: I understand that there has also been some injury to the apple trees in Nova Scotia but not to anything like the same extent as in Ontario. Would the minister care to say anything about the extent of the damage in Nova Scotia? I know that officers of the department are making a survey with a view to getting definite information.

Mr. WEIR (Melfort): There has also beer some injury in Nova Scotia, but as I stated of Ontario I do not think anyone is in a position yet to say definitely how far-reaching in quantity or lasting in damage the injury has been.

Mr. ILSLEY: Are there any reported instances of trees being killed outright in Nova Scotia as in Ontario?

Mr. WEIR (Melfort): We do not think anyone is in a position yet to say definitely that a tree has been killed outright.

Mr. MacLEAN: Coming back to the question of inspectors, I would like to know if it is the policy of the department to have the fee for the carload inspection of table-stock potatoes pay for the cost of that service. I understand that the fee for inspection at the present time is five dollars per carload. The reason I raise this question is that in our province, as the minister knows, the potato industry is a very important one, and last season was a very hard one for handling potatoes and keeping them free from frost. A request was made especially in the larger towns that a full time inspector of table-stock

potatoes be employed. We took this matter up with the department and with the head of the branch and we were told that because of the policy of economy that was being followed in every branch of the government they could not see their way clear to appoint a full time inspector at Summerside. The difficulty there was that each day potatoes were being taken in from the farmers at a great many different points and it was impossible for the man in the warehouse to tell whether the potatoes were touched with frost or not. A request therefore was made that a full time inspector be appointed who could go from warehouse to warehouse and from point to point and test out the potatoes to see if they were free from frost. I regret that the department could not see its way to do this, and the result was that only when a carload was ready were the inspector's services called in. I would ask the minister if it is the policy of the department to endeavour to have the five-dollar fee pay for the cost of the inspection service, or is the department contributing anything over and above that fee to the cost of the service.

Mr. WEIR (Melfort): The fee charged does not cover the inspection, and there is no effort being made at the present time to charge a fee that would cover the cost of inspection. The request for a full time inspector to which the hon. member for Prince has referred came towards the end of the season when there was very little work to be done. Consideration is being given to the advisability of having a resident inspector, not a full time inspector, who could be called upon to make an inspection when any person desired it, and who would be paid for the actual time that he took in making it. We will bear in mind for the future the observations that the hon. member has just made in reference to this matter.

Mr. MacLEAN: I thank the minister for his explanation, but I would point out that the inspector at Summerside was practically compelled to give his services to the different warehouses and at the different points where potatoes were being taken in, and I regret to say that he received nothing for those services. He lived in the town of Summerside and I do not think he refused his services to any warehouse or at any point where potatoes were being taken in, but the difficulty was that he was compelled to give his services free, the only service that he was paid for being the car inspection service. I bring the matter to the minister's attention because it was brought very forcibly to my attention by the large shippers there, who felt that this man gave them a service which they did not feel they should pay for, as it was a government inspection, and which the government felt they could not pay for because they were paying him on a carload inspection basis.

Sir EUGENE FISET: With regard to seasonal inspectors, has the minister received any recommendation from the government of Quebec looking towards the employment during the season, while students are studying in our agricultural colleges, such as the one at Ste. Anne de la Pocatiere and at Rimouski? If so, at what time should these applications for such work be sent to the department, and are they to be sent direct to the federal department or through the provincial government?

Mr. WEIR (Melfort): My information is that there has been no request from the provincial government. We do receive requests or suggestions and we ask the agricultural colleges which the students attend to give us a statement indicating their estimate of the students, based on their work in college and their attitude towards the work, as an assistance to us in making selections.

Sir EUGENE FISET: Then the application must come direct to the department at Ottawa.

Mr. WEIR (Melfort): Yes.

Mr. YOUNG: This vote includes an item of $4,500 to the Canadian horticultural council. What is this council and why is it entitled to the money?

Mr. WEIR (Melfort): I should remember that, because I have answered it once or twice each year for the hon. member. They gather information and combine the requests, the advice and the suggestions from the fruit industry from one end of the dominion to the other, those actually engaged in production and in the trade. In connection with the administration of the Department of Agriculture we have found them very helpful in giving us further contact and a further picture of the problems of the fruit growers. They are always willing to give us any assistance, and through them we feel that we are getting more directly into touch with the trade than we could through our own department.

Mr. YOUNG: That is rather enlightening; we grant $4,500 to certain people to tell us what they want. Has the minister taken any steps to find out whether or not this organization has ceased its political activities?

Mr. WEIR (Melfort): I should appreciate it very much, if the hon. member feels that they have political activities, if he would tell us whether these activities are C.C.F., Liberal or Conservative. As far as I am personally concerned I have never at any time had any reason to believe that they were politically minded. They are representative of the trade and, I believe, absolutely non-political. I know that they have not at all been hesitant in criticizing and in offering suggestions as to the improvement of the administration at times during the present term of office of this government, but I cannot too emphatically state that as far as my observations go there has not been the slightest tendency on their part towards anything political.

Mr. YOUNG: Perhaps the minister has forgotten that a couple of years ago the fruit growers of Ontario withdrew from the organization because they said that the council had turned it into a political organization through their political activities. A few years ago there used to be a similar grant, somewhat larger, to the dairy council, and that was withdrawn because they were politically active. The dairymen objected to this at the beginning, but now I understand they do not want to have the grant back because, they say, they feel themselves freer and better off without the money. Has the minister approached the horticultural council to find out whether they too believe that they would be better off without this grant?

Mr. WEIR (Melfort): Did the hon. member say that the grant was withdrawn from the dairy council because they were political?

Mr. YOUNG: I understand so.

Mr. WEIR (Melfort): No. The grant was withdrawn, I believe, during the present administration's tenure of office, and that had nothing to do with the withdrawal, because I did not feel at any time that that body ever was any more political than the horticultural council. With reference to the remark that the producers of Ontario withdrew from the membership of the horticultural council for political reasons, it came to my attention some two or three years ago that the Canadian horticultural council was not representative of Ontario and I made very careful inquiries; for it is because we feel that they are representative that we attach so much importance to their advice and opinions and, more or less, guidance; and the information I gathered was that the body set up independently of the Canadian horticultural council was not the actual commercial producers of fruit but rather the amateurs in gardening and in other phases of horticulture.

Item agreed to.

Seed, feed and fertilizer control, including grants to seed fairs, etc., also grant of $17,010 to the Canadian Seed Growers' Association, $393,200.

Mr. SANDERSON: What does the vote mean by fertilizer control?

Mr. WEIR (Melfort): This vote is for this particular branch of the department and for payment of officials, and for the administration of the Fertilizer Act. In addition, some of the money is used to defray one-third of the freight, up to fifty cents a ton, on lime fertilizer in the provinces of Quebec and Ontario and in the maritimes, the provinces included paying their share of it. A check is also made as to the composition of the fertilizer to see that it is up to standard .

Mr. SANDERSON: Is the minister aware that the price of fertilizer has gone up considerably in the last year?

Mr. WEIR (Melfort): I understand it has, yes.

Mr. SANDERSON: Can the minister explain why?

Mr. WEIR (Melfort): I am informed that it is due partly to the increased cost of production and also the increased cost of raw materials imported. I must confess I have not looked into the matter.

Mr. SANDERSON: My information is that as soon as this government increased the tariff on fertilizer coming from the United States the Canadian producers or manufacturers of fertilizers increased their price. Has the minister any knowledge of that?

Mr. MYERS: The hon. member is somewhat mistaken with regard to the price of fertilizer. When I was at home at Easter I got my price list from our potato growers' association. I happen to have in my room the price list for last year. I took the trouble to compare the two, and while ammonia is $2 a ton dearer, the other three ingredients, potash, phosphate and soda, are from $3 to $5 a ton cheaper than they were last year. That is in Prince Edward Island.

Mr. SANDERSON: I am going only on the information that I get from the farmers in my constituency and from the minister tonight. In the face of the information which

I have and the information which the minister has given the committee to-night that there has been an increase in the price, the situation in Prince Edward Island may be local, but I am speaking of the farmers of Ontario and in particular of western Ontario.

Mr. MYERS: The hon. member must not forget that I am a farmer and a buyer of fertilizer.

Mr. SANDERSON: Has the hon. member any more information than the minister has on the matter?

Mr. MYERS: I imagine I might have because I buy fertilizer and I do not think the minister does.

Mr. WEIR (Melfort): I am pleased to say that as regards my farming operations the soil is fertile enough that it does not require fertilizer. But there is no difference of opinion. I understood the hon. member for South Perth, when he raised the question of increased cost of fertilizer, to refer to his locality—

Mr. SANDERSON: Yes.

Mr. WEIR (Melfort): —and I understand in that locality there has been a slight increase in the cost.

Mr. SANDERSON: I well remember, and I think hon. members and the country will remember, that when the increased tariff was put on fertilizer, the Prime Minister stated in regard to not merely fertilizer but everything, that if he and the government found after this increased protection was given that manufacturers in Canada raised their prices, the tariff would be taken off. I ask the minister to look into the matter because my information is that there was a substantial increase in the price of fertilizer to the farmers of western Ontario following the increase in the tariff on fertilizer coming into this country. Will the minister look into that?

Mr. MYERS: Does the hon. member for South Perth not know that there is absolutely no tariff on the ingredients that enter into the fertilizer mixture? We can import acid phosphate, potash, soda and ammonia without any tariff at all. When they are imported and mixed in Canada, they enter free of duty. There is a duty on ready mixed fertilizer coming into the country, but there is very little of that coming in. There is surely not one tariff in Perth and another in Prince Edward Island; the tariff must be the same.

[Mr. Sanderson.]

Mr. SANDERSON: I quite agree with my hon. friend that the tariff is the same, but I think he and I are at cross purposes.

Mr. MYERS: Not at all.

Mr. SANDERSON: I do not pretend to know anything about the price of fertilizer in Prince Edward Island, and I do not think he knows anything about the price in Ontario.

Mr. MYERS: But the tariff would be the same in Ontario and Prince Edward Island; it is free.

Mr. SANDERSON: Yes, but the price is different, and I am well aware of the fact that the farmers in my constituency have paid more for their fertilizer since the tariff was raised on fertilizer coming into Canada.

Mr. MYERS: But there is no tariff on fertilizer coming in.

Mr. SANDERSON: Yes, there is.

Mr. MYERS: There is on ready mixed fertilizer but not on the ingredients.

Mr. SANDERSON: My hon. friend is mistaken. There is no tariff on each ingredient, but there is on the manufactured commodity, that is the fertilizer ready to put on the ground.

Mr. YOUNG: Will the hon. member for Queens tell us what the tariff is on the mixed fertilizer and what is the cost of mixing it?

Mr. MYERS: I understand the tariff on mixed fertilizer is ten per cent.

Mr. YOUNG: What is the cost of mixing the ingredients?

Mr. MYERS: I suppose they would be mixed in a plant at a cost of roughly $1.50 a ton. The farmers in Prince Edward Island are possibly a little ahead of those in Ontario. We do not believe in using a ready mixed fertilizer that carries in it a filler which is worth absolutely nothing. We import the ingredients and we mix them ourselves. In this way we get the genuine article and we pay no tariff.

Mr. YOUNG: Will the hon. member say that the ten per cent tariff does not more than pay for the mixing?

Mr. WEIR (Melfort): I would say that if it more than paid for the mixing, mixing stations would be established here.

Mr. BOUCHARD: I think the minister could clear up this question if he were kind enough to tell us how much fertilizer was

imported in the form of the ingredients and how much in the compounded form. Then we would know what quantity was imported in the simple form of phosphate or nitrate or potash and how much was imported in the compound form of mixed fertilizer, and what duties were paid last year on the importation of mixed fertilizer. This information is very important.

Mr. WEIR (Melfort): I have not the information before me, but I shall be glad to take note of this as a question and to supply the information as far as it is possible for us to do so. I am sure at least the majority of hon. members who have spoken have been sufficiently engaged in business to realize that the matter of a rise in price requires careful consideration before we could decide whether it was due to any one particular factor.

Mr. MacLEAN: I can scarcely agree with the hon. member for Queens—

Mr. MYERS: I would not expect it of the hon. gentleman.

Mr. MacLEAN: —that the fertilizer does not cost us a little more in Prince Edward Island since the ten per cent tariff was imposed. My hon. friend will agree that large potato growers import the ingredients and do the mixing themselves, but he and the committee must not forget that throughout Prince Edward Island and the rest of the maritimes there is a very large proportion of small farmers who cannot go to the trouble of buying the different ingredients and mixing them themselves and who have to buy the ready mixed fertilizer on which they pay a duty of ten per cent. If I had time to go to my room I could produce figures to prove what I am saying. A large quantity of mixed fertilizer is brought in every year, and I think the minister, before his estimates go through, should give us the information. The point I wish to make is that the smaller farmer, the man who is least able to pay this ten per cent duty, is the man who is compelled under the present arrangement to pay it. As we all know, under the former Liberal administration fertilizer was put on the free list and everyone could import it in any form he chose. The farmers in my province could order a car or a steamer load of mixed fertilizer from any part of the world, bring it in there and unload it free of duty, but under present conditions they are forced to do the mixing themselves or to pay the ten per cent duty. I am not sure, but I think some of the ingredients also carry a duty. The hon. member for Queens might be able to give us that information. I believe some of them cannot at present be imported free of duty. The point I want to emphasize is that the man who is least able to pay is the one who has to pay the increased price.

Mr. MYERS: The hon. member for Prince is so politically minded, as has been mentioned before, that he can hardly get away from politics.

Mr. CASGRAIN: Be fair.

Mr. MYERS: I am very fair.

An hon. MEMBER: He is liberal minded.

Mr. MYERS: I may inform the hon. member that in making the statement that there is a tariff on some of the ingredients he is absolutely wrong. There is no tariff on acid phosphate, ammonia, soda or potash. There is a ten per cent tariff on ready mixed fertilizer, but as far as Prince Edward Island is concerned my information is that we have not imported a bag of ready mixed fertilizer in the last three years. We have a mixing plant in Prince Edward Island and the ingredients are brought in and mixed there. The hon. member said if he had time to go to his room he would be able to show that fertilizer —I think he was speaking of mixed fertilizer —was dearer this year than last.

Mr. MacLEAN: I did not say that.

Mr. MYERS: Then I misunderstood. I want to inform the hon. member that I have figures from the potato growers' association of Prince Edward Island for 1933 and 1934 for 4-8-8 and 4-8-10 and 4-8-12 ready mixed fertilizer, and in every case they are from $1 to $3 a ton less in price this year than last. Probably he has those figures himself.

Mr. MacLEAN: The argument of my hon. friend is not very strong, because raw material used in any manufacturing industry at the present time is away down in price, and therefore the price of the product should be less. Does my hon. friend contend that we, in Prince Edward Island, are in a position, with potatoes selling last year at six cents a bushel, to pay a higher price for fertilizer than we were when fertilizer was coming in free and potatoes were selling at $1 a bushel? The whole difficulty is that the price of mixed fertilizer has not been reduced to the point that it should be, considering that the raw material can be brought in for almost half the price it cost a few years ago, as is the case with the raw material for almost every other manufacturing industry. So my hon.

friend does not get very far with that argument. But Prince Edward Island is not the only place on the map that uses fertilizer. If the hon. gentleman looks up the returns he will find that there are imported into Canada large quantities of mixed fertilizer on which a ten per cent duty is paid, and if he is not paying it other farmers throughout Canada are.

Mr. MYERS: I am glad the hon. member for Prince agrees with me on this, that the price of fertilizer is lower this year in Prince Edward Island than it was last year. He differs from his colleague the hon. member for South Perth in that regard. So I am glad that for once I have the support of the hon. member for Prince, something I very seldom get.

Mr. WEIR (Melfort): As I stated before, I think any business man, before making a sweeping statement, should realize that many factors would have to be looked into before he could be satisfied as to what particular cause led to an increase in price. The argument of some hon. members opposite is that the price has increased due to the putting on of a tariff by this government. Following that argument further, how is it that fertilizer is now from $3 to $5 a ton cheaper than it was when this government came into power? I do not say it was the putting on of the tariff that caused the reduction, but it certainly would go to show that it has not increased the price. We have given the assurance that the matter will be looked into, and any information which has been asked for that can be brought down we shall gladly furnish.

Mr. BROWN: When the minister is getting that will he also get information as to the price of the ingredients?—because that is one essential factor that must enter into the problem.

Mr. WEIR (Melfort): That is the point I tried to make.

Mr. YOUNG: The hon. member for Queens, who seems to be familiar with the situation, told us that there is a mixing plant on Prince Edward Island. Could he tell us the output of that plant and the number of men employed? Then we will know how much that plant is costing us.

Mr. MYERS: I have not the total output. They employ about twenty men.

Mr. WEIR (Melfort): My information is that the cost of mixing the fertilizer is in the neighbourhood of $1.50 a ton, and that before the tariff was put on there were no mixing plants to any extent, on Prince Edward Island in particular. Therefore the protection given has led to the establishment of mixing plants, which in turn has perhaps been one of the chief factors in reducing the cost. But as I said, all the information that we can gather in this connection will be brought down.

Mr. YOUNG: Can the minister tell us the price at which it sells?

Mr. WEIR (Melfort): That depends on the grade.

Mr. YOUNG: Say a standard grade.

Mr. WEIR (Melfort): Of what fertilizer?

Mr. YOUNG: Well, the kind they mix in Prince Edward Island.

Mr. WEIR (Melfort): I think the hon. member and I are both quite a way from home.

Mr. VALLANCE: Might I suggest that he give the one that costs $1.50 a ton to mix?

Mr. MYERS: They all cost the same to mix.

Mr. VALLANCE: So that the cheap fertilizer costs just as much to mix as the most expensive? While that is being hunted up may I ask the minister another question? I notice there is a $50,000 decrease in this vote. Would the minister mind separating these items and telling us how much is given to each of the purposes included under item 42?

Mr. WEIR (Melfort):

Office supplies, $9,000.
Publications and stationery, $14,490.
Travelling, headquarters staff, $6,000.
Subventions to provincial agencies covering part of the cost for promotional work to provide assistance with seed fairs and seed distribution, $39,000.
Market reporting and extension service, $1,000.
Development of domestic and export markets for seeds, feeding stuffs and fertilizers, $1,500.
Organization of feeding stuffs and hay and straw standardization, $2,000.
Administering the Inspection and Sale Act, special commodities, binder twine, etc., $500.

Laboratory and Inspection Services

Maritime provinces, $26,980.
Quebec, $38,301.
Eastern Ontario, $22,865.
Western Ontario, $56,914.
Manitoba, $36,998.
Saskatchewan, $37,691.
Alberta and British Columbia, $42,951.
Chemical laboratory, Ottawa, and analytical fees to outside chemists, $10,000.
Grant to Canadian Seed Growers' Association, $17,010.
Reestablishing the quality of export wheat in former drought areas and continuing the distribution of forage crop seed in the prairie provinces, $30,000.

Mr. VALLANCE: I would like to ask now, in view of this $50,000 decrease, what services are going to be curtailed or eliminated, if any?

Mr. WEIR (Melfort): There is really no service being curtailed. There is a lesser demand for inspection services, but all demands I believe are met. There are certain economies in connection with travelling expenses and laboratory work; we are doing more of our own work since setting up the laboratory in the building previously occupied by the national research council. One of the chief items in the reduction is the decrease in travelling expense by supplying the cars with gas and oil and garage services. That has reduced that item to 1·9 cents a mile in certain cases, I believe.

Mr. VALLANCE: I do not know whether I am in order, but in going through the estimates I find under details of civil government in agriculture that the services of certain individuals are being eliminated this year. That does not show in this vote?

Mr. WEIR (Melfort): That is right.

Mr. VALLANCE: It is unfortunate that we cannot discuss the civil government vote while we are discussing the departmental vote. For instance, under the previous item, "fruit, including grant of $4,500 to Canadian Horticultural Council," I find in the civil government list that the position of chief of the fruit markets division is being eliminated this year, though it existed last year. I am not blaming the present government, but I merely say that it seems that the civil government for each department might be discussed while the departmental estimates are under consideration. When we come back to civil government we will start all this discussion again, and we will consider the reason for the elimination of the chief of the fruit markets division. I realize that this item has nothing to do with civil government, but when the civil government estimates are up for discussion we will have simply a reiteration of what has been said to-night.

Mr. LUCAS: I should like to ask the minister if any of this amount voted for seed, feed and fertilizer control is applied to the prairie provinces. No doubt the minister is aware that in the last few years many experiments have been carried on in connection with the use of fertilizer in the growing of grain, and I wonder if the minister has any information as to what progress is being made.

Mr. WEIR (Melfort): The provinces are consulted, in reference to a part of this vote which is in the nature of subventions, as to what undertakings they think would best serve them respectively. In the west there have been very few requests in connection with fertilizer; apparently they feel that they have other uses for any subventions that might be given under this vote. In Alberta our work in connection with fertilizers consists of examining the composition of the many different brands of fertilizer offered for sale so that the farmer may know whether or not he is getting the fertilizer best suited to his district and whether what he gets corresponds with that is advertised in connection with that particular brand of fertilizer.

Mr. VALLANCE: Just before the item passes I should like to get a little further information from the minister. When he was itemizing this amount of $393,200 I thought I heard him say that it included travelling expenses.

Mr. WEIR (Melfort): That is of the headquarters staff.

Mr. VALLANCE: Does that include the expenses of your chief inspectors?

Mr. WEIR (Melfort): No.

Mr. VALLANCE: Then under what vote is the expense account of the chiefs of divisions, such as the chief of the fruit markets division?

Mr. WEIR (Melfort): His expenses would come out of the headquarters staff expenses.

Mr. VALLANCE: So that we are now privileged to discuss his expenses but not his salary; is that so?

Mr. WEIR (Melfort): I would say yes.

Mr. VALLANCE: I would ask the minister if he does not think it would be far better, in the interests of the committee and also, I would say, in the interests of a minister administering a department of government, to have these things lumped together? When this item passes we will have voted the expenses of this individual; then we must turn to civil government to vote his salary. It seems to me it should be the other way round; we should vote his salary first and then vote his expense account, because his expense account is of no use if he does not get his salary.

Mr. WEIR (Melfort): This vote does not include salaries of the headquarters staff.

Mr. VALLANCE I realize that.

Mr. WEIR (Melfort): I realize the force of what the hon. member has said.

Sir EUGENE FISET: Is not the minister mistaken? In the civil government vote you have first of all the salaries and secondly the contingencies, and in the contingencies is included the travelling expenses of the headquarters staff. In this item is included the salary of the staff outside of your headquarters staff and the travelling expenses of those officials.

Mr. CASGRAIN: I should like some information with regard to the assistance given the various provinces in regard to seed. Last year or the year before I directed a question to the minister with regard to seed that was required in a certain part of my county, and at that time I think the minister stated that it was not within the province of his department to supply seed unless it was absolutely required, and at the request of the province. Was any such request made and was any such assistance given in cooperation with any provincial government?

Mr. WEIR (Melfort): When I stated that seed was furnished only at the request of the provincial government my reply had reference to commercial seed, so to speak. Under this item no assistance is given by way of supplying commercial seed to farmers in drought areas, or farmers who cannot purchase seed themselves; so far as I know this government never has supplied seed in that way to the farmers of any province. This vote is divided in several ways. A certain amount is given each province, to be used by the province, together with its own money, to assist in improving the seed in that province, for example. In the west they wish to use that subvention in order to get better seed in the drought area, which in the past was one of our best sources of supply for good seed. The provinces have felt that this is the most important work to be done with this money, and they have asked that the subvention to those provinces should be used to furnish a better and purer supply of seed for those areas. So we pay the freight on carload and less than carload lots of pure seed from the northern districts to assist the people in the south to get that seed at a lower cost. For example, after the harvest last fall, following a survey, all the pure Marquis and Reward seed that was available was kept on hand and, with the assistance of this subvention, was sent to the south. This is not done in connection with commercial seed, however. In the eastern provinces they feel that the best contribution we can make towards the improvement of their seed is to use this money to assist in the purchase of small seed cleaning plants. I believe the division is much on a set basis. I hope I have made myself clear.

Mr. CASGRAIN: For what purpose is the grant of $17,010 given to the Canadian Seed Growers' Association? Is that a similar association to the horticultural council?

Mr. WEIR (Melfort): No, it has to be used in a different way The Canadian Registered Seed Growers' Association conduct the registering of the pure seed grain, grasses and so on, throughout the dominion. It is to assist them in carrying out that work that this money is used. It rebounds to the benefit of all farmers in all provinces of the dominion, and brings about a uniform standard. If a farmer in Quebec wishes to have a variety of pure registered seed from British Columbia, for instance, he knows the exact quality of seed he is getting. He would not know however if there were separate legislation in each province. Their work is along the line of the Canadian National Live Stock Records Association.

Mr. CASGRAIN: They have a branch in the province of Quebec?

Mr. WEIR (Melfort): Yes, they operate in each province.

Mr. VALLANCE: To what extent is the federal seed branch being utilized in the west, where so much seed is necessary in the drought stricken areas?

Mr. WEIR (Melfort): I am informed that the whole staff has been placed at the services of the province to inspect all grain being shipped for seed.

Mr. VALLANCE: In view of the fact that the chief of the branch is sitting in front of the minister I should like to know if there has been any difficulty in the finding of necessary seed of good quality to take care of the demands of the western provinces?

Mr. WEIR (Melfort): Yes, there has been, and especially in connection with seed oats.

Mr. DONNELLY: Who has charge of distribution, the province or the dominion?

Mr. WEIR (Melfort): The relief commission.

Mr. DONNELLY: There has been a great deal of complaint about the handing out of seed. Farmers who have seed in elevators close to their farms have been obliged to

drive thirty or forty miles to get seed. They cannot understand why this is necessary. They are given an order to go to another town a long distance away despite the fact that there is plenty of seed right in their own elevator.

Mr. WEIR (Melfort): We have no information regarding that condition, and I cannot think that the circumstances described by the hon. member can be general, because the funds of those in charge of the work are a matter of serious consideration. I should think the condition described would add to the cost. However, we have had no complaints along this line.

Mr. DONNELLY: I can assure the minister that I am speaking correctly. I know of instances where men have had to drive twenty or thirty miles to other towns in order to obtain seed when, as a matter of fact, there has been seed in the elevator of their own home town. They are unable to understand why they are put to this inconvenience.

The CHAIRMAN (Mr. Stirling): Shall the item carry?

Mr. YOUNG: No, not yet. A few moments ago I asked the minister to tell me the prices at which fertilizer sold. Although he was unable to give me the information I have obtained it from another source. I understand it is worth from $22 to $25 a ton and the duty is ten per cent.

Mr. WEIR (Melfort): What fertilizer?

Mr. YOUNG: The fertilizer used in the growing of potatoes in Prince Edward Island; I do not know the technical name of it. These are the prevailing prices. The duty is from $2 to $2.25 per ton and we are told the mixing costs $1.50 per ton. None of it is imported in the mixed state. It is mixed on the island in an establishment maintaining a staff of about twenty men. While the cost of mixing is $1.50 per ton the additional cost to the farmer is $2 per ton which means that we are taking $2 out of the pockets of the potato growers and giving only $1.50 to labour.

Mr. VALLANCE: I should like to follow up the remarks of the hon. member for Willow Bunch. Is all the seed that is purchased by the relief commission inspected by the dominion seed branch?

Mr. WEIR (Melfort): It has been impossible to inspect all the seed in the small country elevators. Of course as the hon. member knows all the grain bought for seed is cleaned as well as possible but it is impossible to inspect all the wheat in some of the small country elevators. However the whole time of the staff is devoted to that work and we have increased the number on the staff. Every reasonable effort is being made to ensure clean seed.

Mr. VALLANCE: During the recess I was in the west, and as a result of what I saw I should like to substantiate the remarks of the hon. member for Willow Bunch. In the community from which I come quite extensive quantities of good seed were available, yet seed was brought in from the north-eastern section of the province. The minister will know as well as I do that there are some portions of the northern section of the province which are not as free of weeds as are the prairies, especially that part of the prairie which lies within my own constituency, and it is regrettable that such a large volume of wild oats, sow thistle and Canadian thistle should be permitted to get into the prairie country. It may not be difficult to deal with these menaces once they are established, but every effort should be made to prevent them from invading those portions of the provinces where they exist only to a very limited extent.

Mr. WEIR (Melfort): I am informed that oats purchased for seed are cleaned and shipped out. In connection with driving great distances I can say only this that I have difficulty in understanding why the condition complained of should exist. My understanding is that the relief commission works through the municipalities, and as the municipal officials consist chiefly of farmers I should think they would have a keen appreciation of their responsibility in connection with bringing in unclean seed. I have no doubt however that the hon. member is speaking from knowledge, owing to the fact that he has only recently returned from that section of the country. We are giving every possible assistance to ensure that clean seed is made available.

Mr. VALLANCE: In order to be quite fair I shall give the minister a concrete illustration. I should like to state however that I do not blame the relief commission. It is because of the fact that many farmers want only 60, 70 or possibly 150 bushels of seed. A portion of the municipality of Luseland is adjacent to the village of Superb. To-day there are oats available in that village. The farmers in that section wonder why they cannot get oats from the village instead of travelling eighteen or twenty miles to Luseland. I

appreciate the position of the minister and the difficulties with which the relief commission are faced in connection with handling this huge problem. I believe however that the difficulty is accentuated because of the fact that people living down in the southwest section may have to go to the northeast in order to get seed.

Mr. WEIR (Melfort): Of their own municipality?

Mr. VALLANCE: Yes, of their own municipality. In fairness to the minister and to the commission may I say that that seems to be the great difficulty.

Mr. MacLEAN: I should like to bring to the attention of the minister a matter which some time ago was placed before his department, namely, that of the sealing of seed oats shipped out of our province. For a number of years we have been shipping under seal seed oats to the provinces of Quebec and New Brunswick. This seal was affixed by an official of the department. A few years ago the Department of Agriculture compelled our farmers to put their oats up in this manner, and required the sealing of the sacks. For some reason this year they have been refused the privilege of having their sacks sealed and have had to ship out their grain with the sacks unsealed to the same people they have been shipping to in former years. This has created some suspicion in the minds of the farmers who have been buying seed for a great many years, and our business men find it hard to do business in the way they formerly did. I should like to know from the minister what pressure was brought to bear on the department to change this practice and withdraw from our farmers the privilege of having their seed grain sealed in sacks as formerly.

Mr. WEIR (Melfort): Formerly, when it was necessary to seal the sack, that was an assurance to those who were buying the seed that the grain in that sack was from a seed crop that had been field inspected and designated as pure as to variety. I believe that due to pressure from farmers and perhaps some of the seed houses in Prince Edward Island, and the enthusiasm of one of our seed inspectors in that locality, it was felt that the community could perhaps best be served by sealing what looked to be and was clean commercial seed, but without any guarantee as to the variety. They wished that to be sealed, and with a certificate given, I believe. Many people thought it meant that it was practically the same as registered seed.

So far as pressure being brought to bear on the government to make the change is concerned, as soon as this matter was brought to my attention—I cannot say how it was brought to my attention—I thought that it was not to the advantage of the farmers in Prince Edward Island, who have a decided advantage in being more or less isolated as they are, and I thought it would be a very simple thing for them to develop a supply of perhaps one hundred per cent pure seed that no other province could. Because of that I myself took the responsibility of doing away with sealing and of giving a certificate for commercial grain that was clean but whose purity we could not certify without growing it, and instead to give a certificate under seal only for pure field inspected grain. Here again I must reiterate that the farmers of Prince Edward Island have a very great advantage and opportunity, and I am sure that they will give full support to the policy of endeavouring to develop their registered seed grain almost one hundred per cent.

Mr. MacLEAN: It is quite true that they have developed to a great extent the growing of pure seed and that they have followed the field inspection service very closely. There is a large quantity of field inspected grain which is ready for shipment every year. But this was another matter apart altogether from the field inspected grain. It was a privilege that the farmers had when they brought in Banner oats, even if they could not certify that it was field inspected. The practice of affixing the seal was approved by the dealers. I would ask the minister if there have been any complaints from the receivers of this grain in the different provinces, that it was not true to its name, or why was the practice discontinued?

Mr. WEIR (Melfort): I do not recall whether or not there were any complaints from the receivers of the grain, but the information given to me when the matter first came to my attention was that Prince Edward Island had shipped in the amount of registered pure seed grain that they were growing, that they had not as high a percentage of pure registered grain as they had had before this practice crept in. The hon. member states that a farmer brings in a bag of clean Banner oats. We feel quite certain that in a great many cases they were not Banner oats although they were sealed as Banner oats, and because there was no assurance that the farmer was getting what he thought he was getting, and that Prince Edward Island

was losing the opportunity, situated as it is, to have almost one hundred per cent pure variety of grain at practically no additional cost to themselves, I took the responsibility for the action.

Mr. FAFARD (Translation): Mr. Chairman, at the session of parliament which was called to ratify the treaty resulting from the Imperial Economic Conference agreements, the government boasted and took credit for all the advantages which we would derive from such a treaty with Great Britain. We were told that the government, by granting a preference to Great Britain on chemical fertilizers imported into Canada, was rendering a very great service to the farming class. We protested at the time because the tariff was also being increased on chemical fertilizers imported from the United States. I simply wish to give to the house the list for the fiscal year 1933 of the products imported from the United States and the United Kingdom. As you may note, in most cases, the British preference granted on the various ingredients which enter into the composition of chemical fertilizers served absolutely no purpose, because none were imported from Great Britain.

Let us take, for instance bone dust, charred bone and bone ash. We imported from the United States 26,437 cwts. of this ingredient and from the United Kingdom, 4,352 cwts. We imported from the United States 631,385 cwts. of phosphate rock while none were imported from the United Kingdom. We imported from the United States 1,640 cwts. of kainite or German potash salts and German mineral potash, while none came from the United Kingdom. We imported from the United States 347 cwts. of cyanamide of lime or lime nitrogen, while none was imported from Great Britain. We imported from the United States 6,413 cwts. of muriate of potash, while none was imported from Great Britain. Take as another instance, nitrate of soda. We imported from the United States 282,079 cwts. while we only imported from the United Kingdom 103 cwts.

I have a longer list; however, I shall dispense from reading it to the house. I simply wish to point out the fact that the Imperial Economic Conference agreements have been of no benefit to us so far as chemical fertilizers, unless it be an increase in their prices, because we increased the duty on the ingredients imported from the United States and, in most cases, all these ingredients are imported from that country.

Mr. WEIR (Melfort): I understood the hon. member to say that a tariff has been placed on the ingredients, imported from the United States and other countries, which are used in this country to make fertilizer. My information is that no duty has been placed on such ingredients.

Mr. FAFARD: What about mixed fertilizer?

Mr. WEIR (Melfort): Yes, but not on the ingredients used to make fertilizer.

Mr. FAFARD: There are many ingredients that are not imported.

Mr. WEIR (Melfort): Is the hon. member asking how many ingredients are imported?

Mr. FAFARD: I know; that was what I stated in my remarks, which were based on an answer given by the government in the house.

Mr. CASGRAIN: That is supposed to be good, but sometimes they miss the mark.

Mr. BOUCHARD: Last session or the session before, the government, I suppose, was grateful to the opposition for the remarks that they made against the tariff on nitrate of soda. A little later, in the course of the following session—I think it was last year—I ventured to ask whether this question had been settled with the British government. We had a definite promise from the genial Minister of Finance that he would take this matter up with that government, and the only information I could secure was that it had been settled to the entire satisfaction of the farmers. That was not a very satisfactory answer. May I get a definite statement from the minister to-night? Has the question been finally settled, when, and on what basis? Are there still any duties on nitrate of soda? Quite often, looking up the bluebooks, you will find that nitrate of soda does not usually come under the head of fertilizers. There are many ingredients entering into the manufacture of fertilizer and into the mixing of the product, which ingredients are not included under the distinct head of fertilizer. Will the minister inform me definitely whether the tariff has been entirely removed from nitrate of soda?

Mr. WEIR (Melfort): I am informed that there is no tariff on nitrate of soda.

Mr. DONNELLY: I understood the minister to say a little while ago that the distribution of seed was in the hands of the municipalities. I think he must be misinformed.

Mr. WEIR (Melfort): I said the relief commission, and I understood they cooperated with the municipalities.

Mr. DONNELLY: The man who requires seed goes to the municipality and puts in his order with them, and the municipality then make up the order and send it to the commission. The order is sent back to the man telling him where to go to get his seed, and this is where the mix-up occurs; the man has to go to a distant town to get the seed. However, the question I want to ask the minister is this. Is the seed sold by grade or is it all sold at one price? Are there grades—No. 1 northern, No. 2 northern, No. 3 northern, and so on? Of the seed wheat handed out, some of it is grade 1 northern and some grade 3 and grade 4. Some of it is a very poor variety. How are the prices arrived at for the different grades?

Mr. WEIR (Melfort): I am afraid I cannot answer the hon. gentleman's question. My impression is that so far as wheat is concerned, outside of registered seed, it is sold on the commercial grading of the wheat by the relief commission, but I have no definite information. I cannot say how the wheat is graded.

Mr. FAFARD (Translation): I do not wish, sir, to detain the house; however, the agricultural situation is most deplorable at present. Glancing over the agricultural appropriations during the years this government has been in office, I note with regret that they show a decrease of more than $3,292,658.12. Taking into consideration the years of hardship through which we are passing, it strikes me that we should not have decreased but rather increased subsidies for the Department of Agriculture. Thus, in 1931, we find a decrease of about $375,000; in 1932, an increase of $414,000; in 1933, a decrease of more than $2,000,000, and in 1934 a decrease of nearly $391,000, while in 1935 in the estimates under consideration, we note a further decrease of more than $850,000.

I am aware that it may be a difficult task for the hon. Minister of Agriculture (Mr. Weir) to convince his leader that large votes are necessary to carry on the work of his department; however, such a large decrease in the course of five years is altogether uncalled for, especially at a time when a back to the land movement is advocated.

Mr. WEIR (Melfort): As the hon. member has stated, there has been a very considerable reduction in the estimates for this department, but it has been made possible to a great extent by reorganization and the reduction of expenses and not by any depreciation in services. On top of that there have been formulated policies that have given to the farmers, to a considerable degree, benefits which previously they had not enjoyed, particularly with respect to live stock. But in the reduction of the estimates, the test we have always kept before us has been that it should not mean a reduction in services which would in any way have a depressing or an injurious effect on the farmers or their agriculture.

Mr. FAFARD: Then the minister approves of this very considerable reduction in his own estimates.

Mr. WEIR (Melfort): Yes.

Mr. FAFARD: I am glad to hear that.

Mr. MOTHERWELL: I am rather disappointed in the minister for making that claim. I find after a little figuring, looking up the estimates of 1930-31, that this vote was then in round figures $573,000 whereas now it is $393,000 a difference of $180,000. Well, there is not a minister in the government whom I have ever heard claim that such a reduction could be made without adversely affecting the services of his department. The other day the Minister of the Interior, whose estimates were cut badly, did not claim that the services were not impaired. The Minister of Agriculture must know these services are impaired to a considerable extent; he must be a wizard in administration if with two-thirds of the money formerly appropriated he can still get three-thirds of the service. No one knows better than his staff that that is impossible. The minister is doing himself an injustice when he makes such a statement, because I do not believe it is given to normal man to be able to cut off one-third of the cost of administering this or any other branch and still give the same service. If that can be done, then my hon. friend should be continued where he is indefinitely, because money is extremely scarce and we want to get the service. If that can be done and if he can demonstrate that to the country, he is a hero that we do not run across every day, and I shall be the first to pay him this tribute; but I cannot accept his statement and I know his staff cannot accept it. He is not being fair to himself in making such a claim. Take the grant to the seed growers' association which has been reduced by $4,000. Let him ask them what they think about it and whether they are doing the same work with $17,000 that they were formerly doing with $21,000.

Mr. WEIR (Melfort): I stated on a previous occasion that the standard for these estimates was that there should not be any reduction in services that would materially affect in a damaging way the farmers. Let us take the item under discussion. The hon. member for Melville has stated what the reduction has been in the last three years. One item alone, that of the registered seed growers' pool in Moose Jaw, in the appropriation to which the hon. member refers was a very considerable amount for the year. I have not before me what the payment was, but my recollection is that it was somewhere in the vicinity of $50,000. That is a very large item in accounting for the decrease in the vote. Another item of decrease in this particular vote is, as the hon. member knows, that due to the succession of crop failures in western Canada, there has been a considerable decrease in the demand for services for grain inspection which was perhaps one of the greatest services in agriculture in the western provinces prior to the crop failures. Similarly in different parts of the dominion there has been a decrease in the demand for inspectional services. On top of that, as I stated somewhat earlier in the evening, we have made very considerable reductions in travelling expenses and by doing our own laboratory work for the inspection of fertilizer, feeds and so on, by taking over a building that had formerly been occupied by the national research council. I have no hesitation in saying that with this decrease in the vote the services that are given to the farmers or to agriculture are still very efficient.

Mr. MOTHERWELL: My hon. friend has saved the situation by now claiming that there has been no material reduction. I like that term much better; it was the one he used last year. That is a very safe, flexible term to use and the hon. gentleman can get by with it; but I do not like the statement that there is no reduction in services, because nobody accepts it.

Mr. RHEAUME (Translation): I do not quite agree, sir, with the hon. minister in connection with the tuberculine test. If my memory serves me right when the discussion on the agricultural estimates took place, about this time, last year, I requested that these tests be continued in the county of St. John's-Iberville. The hon. minister replied that they would be carried out, probably at the beginning of the year. Last autumn, in October or November these tests were begun in my county and ceased about the middle of November, the excuse given was that there was no veterinary surgeon.

Mr. CASGRAIN (Translation): The same excuse was given to me.

Mr. RHEAUME (Translation): There are veterinary surgeons in the county of St. John's-Iberville just as there are in the county of Brome-Missisquoi, who are well qualified to carry out this work and would be very willing to act for the department of agriculture. These tests should have been continued last autumn, because it is unfair that farmers should not be reimbursed for the outlay due to the wintering of their cattle. May I point out to the hon. minister that the most auspicious time for these tests is from the end of August to mid-winter. If these tests are carried out during the entire year, it certainly is not to the advantage of the farmer who has been put to considerable expense in wintering his cattle. It is unfair to deprive him of his cattle in the spring when he might derive some benefit from them.

I note that the hon. Solicitor General (Mr. Dupré) is interpreting my remarks to the hon. Minister of Agriculture, I would kindly request him to insist that the minister carry out these tests in the autumn instead of in the spring.

Again this year, there has been a decrease of $144,000....

Mr. CASGRAIN (Translation): It will always continue as long as they are in office.

Mr. RHEAUME (Translation): The hon. minister contends that the number of tuberculosis cattle has decreased. I shall take his word for it, however, on the other hand, the tests were in the past carried out every year in the county of St. John's-Iberville. Very large amounts were expended in the eastern townships to rid the herds of diseased cattle, and I am convinced that the money would have been uselessly expended had not these tests been continued systematically. I think that it is over three years since tests have been carried out in the county of St. John's-Iberville. I do not know whether the county of Brome-Missisquoi has been similarly dealt with. At all events, I trust that the hon. minister will consider my remarks in the proper light, because my intention is not to criticize but simply to obtain justice for the farmers of my county.

Mr. CASGRAIN: I want to join with the hon. member for St. Johns-Iberville in what he has said. I do not know whether we are still on this item for seed, feed and fertilizer control, but I find there is a decrease in the estimate and like the hon. member for Mel-

ville and the hon. member for St. Johns-Iberville I want, on behalf of the farming community I have the honour to represent, to protest against these decreases year by year. The hon. member for St. Johns-Iberville spoke about the test in his constituency and I have a similar complaint to bring before the government this year. I do not know whether the test was carried on in my constituency last year, but I had occasion again last year to make the same representation that I made the year before, and have done every year I have been in the house, in 1931, 1932, 1933 and 1934 since the present government came into power. In 1929 there was a zone formed in the county of Charlevoix-Saguenay to be operated with the county of Chicoutimi. The district was organized and the tests were made and carried out thoroughly in the county of Chicoutimi but were not carried out in my riding last year at this time as far as I remember, and when I was in my riding recently I do not think I had any evidence from the people who spoke to me that these tests had been made. I should like to know why they were not made. Last year when I was speaking on the same subject—

Mr. DUPRE: Will the hon. member allow me to interrupt? We do not want to insist, but I understand we are discussing now item 42, which is seed, feed and fertilizer control. I am afraid this question is very far from the item under discussion.

Mr. CASGRAIN: Well, the hon. member for St. Johns-Iberville spoke about it.

Mr. DUPRE: It is very far from the item under consideration.

Mr. CASGRAIN: All right; I shall start over again in a few minutes. Then we will be in a position to get the information later on.

Mr. McKENZIE (Assiniboia): While on this item would the minister give us some information in regard to crested wheat grass? A couple of years ago in the agriculture committee he told us something that to me was rather interesting with regard to that grass. I saw a small patch of it growing last summer in a very dry district in my constituency and it appeared to me that it was quite successful there. Has the minister any information to give in that regard?

Mr. WEIR (Melfort): I think it is a safe statement to make that the hope for crested wheat grass and what it will accomplish is even greater than I stated to the committee a year ago, and I recall that in that statement I was quite enthusiastic. As the hon. member has indicated, especially in districts where there is a great lack of moisture, crested wheat grass is particularly suitable. Even in our Manyberries station, where there is a considerable area that had been abandoned by farmers on account of lack of moisture, experiments have been made with crested wheat grass, brome, sweet clover, western rye grass and some other grasses, comparing them as to the growth they make with a limited amount of moisture. In those experiments crested wheat grass showed itself much superior to the other grasses. One noticeable thing about these plots was that in the crested wheat grass plot there were practically no weeds; its tendency to absorb the moisture was so great that there was not sufficient moisture left for the weeds to make headway. Another advantage of this grass is that it is a cool weather grass as well as a dry season grass; when the snow goes off in the spring it is as green as it is perhaps at any time of the year. Also it is a very palatable grass, and it has a high yield of seed. In the fall when the cool weather comes on it seems to take new life, because it is particularly adaptable to cool weather and remains green and maintains a fine growth until covered by snow. Another important characteristic that it has, especially important in very dry areas, is that when even western rye grass will not withstand the drought and can be easily knocked out by the roots, and brome grass withers and often dies, the crested wheat grass seems to become dormant, but responds to the very slightest degree of moisture. One of the hardest tests that crested wheat grass has experienced was in a seeding that took place on the lawn of Professor Harrington in Saskatoon. He had a cement sidewalk running through his lawn, both sides of which were seeded with crested wheat grass, particularly the fairway strain, which is one of our most likely strains for fairways on golf courses and for laying down sod in western Canada. It is a strain that is rich in foliage and spreads more than some of the other strains of crested wheat grass. One side was watered and protected, on the other side the children of Professor Harrington and his neighbours played and it became almost like a pavement. Then towards the middle of August it also was watered and protected, and it responded very quickly, and before the winter set in showed an excellent growth.

It has always been realized by those interested in diversified farming, particularly in the west, that the need was for a domestic

grass. We believe that in almost every respect crested wheat grass will meet that need, not only in the dry areas, but it also stands up well in the northern areas. At the Indian Head forestry station some years ago two pounds I believe were seeded, very sparsely, and there were threshed from this patch 1,320 pounds of seed. That also is another very important characterictic of this grass, its high yield. Another most important feature is that you can allow the seed of crested wheat grass to mature and then cut and thresh it and the stalks of the grass still remain green and palatable, unlike western rye and other grasses of that nature which if allowed to ripen in the least become woody and dusty and not palatable.

Mr. BROWN: As far as the experiments have gone would the minister advise using it with a nurse crop or by itself?

Mr. WEIR (Melfort): It depends a good deal upon the locality. I would say that while of course any grass does better if seeded with a nurse crop, in the locality where the home of the hon. member for Lisgar is it would not be necessary in a normal season to use a nurse crop with crested wheat grass. It germinates very readily; it has a quick growth and it does not need to be seeded to any great depth; the shallower it is seeded the better. In that district in the normal season I would say that a nurse crop is not at all necessary. Sow it early.

Mr. McKENZIE (Assiniboia): I thank the minister for that explanation, because I have been greatly interested in crested wheat grass. I think it was two years ago I made inquiry and found the seed was not available. I wonder if it is available at the present time.

Mr. WEIR (Melfort): Commercial quality seed is available in considerable quantities. There comes to my mind a gentleman who has made a fine success of growing this grass in Alberta, Mr. Moore of Bindloss. I purchased considerable seed from him last year for my own farm, and it was very satisfactory as was also the price. A selected strain like the fairway strain is not so plentiful; there is a limited supply, and the present price is fifty cents a pound.

Mr. BROWN: I think it can be got at the university at Saskatoon.

Mr. GERSHAW: Will the department have any seed of that grass for sale?

Mr. WEIR (Melfort): The department is always a source of inquiry for grass seed. It has a list of those who have grasses for sale. I can give that information, or if the hon. member would have his correspondent write to the central experimental farm at Ottawa they would put him in touch with anyone who wanted the grass. If he himself knows anyone who has a supply for sale and will give that information to the central experimental farm I believe there is a big demand for it this year.

Mr. VALLANCE: I had a note to ask about this crested wheat grass and how much seed was available. It seems to me that on an occasion such as this we should avail ourselves of the opportunity to discuss with the minister just such things as this. Another prominent and I think useful seed has been developed, although it is only in its infancy as yet. I had the honour and privilege, I may say, yesterday or the day before of discussing this with the minister, and it just goes to show what you can do when you have a minister in charge of a department with the work of which he is very familiar. On his own farm to-day the minister has available a quantity of seed oats, and I think it would be interesting to have him tell us about these oats. They are a new or at least an outstanding variety of the hulless oat known as the Laurel, and in the discussion I had with the minister he was kind enough to promise to deliver some of these oats to my farm. It would be interesting to many of us if the minister would say a few words with regard to this variety, as to how well adapted it is for use as feed and for what other purposes it may be used.

Mr. WEIR (Melfort): If I had known the hon. member was going to say this I think I would have quoted him a lower price on the oats. Work has been carried on for a number of years in different countries, including the United Kingdom, the United States and particularly in Canada, in the development of the hulless oat. The difficulty has been in getting a strong enough straw and in getting an oat that would give a sufficiently high yield. It is believed now that these difficulties have been pretty well met by the oat mentioned by my hon. friend, the Laurel variety of hulless oat. It is particularly strong in the straw and yet not too coarse to be used for green feed for horses, cattle and calves. Since it is a hulless oat it makes better feed, especially for cattle, than oats having the hulls on, and those who are engaged in live stock farming will realize the wastage in feeding oats with hulls without crushing them, particularly in regard to cattle. That is one of the chief advantages

of hulless oats as a green feed. Horses are particularly fond of it, and our experience has been that they do better on it than on other forms of green feed we have used. The yield is not quite as high as in the case of such oats as Gopher, Banner and Victory, yet it is quite a high yield; with a normal crop it runs to fifty, sixty or perhaps seventy bushels per acre, and a measured bushel of a good sample of hulless oats should weigh in the neighbourhood of fifty pounds. It is an early maturing variety and, contrary to what one would expect, the oats cling to the straw when it is quite ripe.

Mr. VALLANCE: May I just ask a question suggested by my good friend from Vancouver Centre. He would like the minister to tell us if the new variety is good for oatmeal.

Mr. WEIR (Melfort): I am glad that question has come up. One of the great advantages of the hulless oat is that it has been made use of for some time by homesteaders. It is particularly adapted to the making of porridge by soaking without even having it ground. It is grown by homesteaders, pioneers in outlying districts, because of that quality, and for the reason that it has no hulls it is very suitable for feeding young pigs.

Mr. DONNELLY: I notice that part of this vote is for grants to seed fairs. Can the minister tell us what seed fairs receive these grants, and how much they receive?

Mr. WEIR (Melfort): Some of this money goes to each province for seed fairs. I am sorry we have not a list of the seed fairs receiving grants. I should be glad to send that list to my hon. friend, showing the grants paid in all the provinces or just in the province of Saskatchewan, if that would satisfy the hon. gentleman.

Item agreed to.

Live stock, including assistance to fairs and exhibitions, $1,518,302.

Mr. CASGRAIN: Will the minister explain the reason for the decrease in this item?

Mr. WEIR (Melfort): In the reorganization of this branch a saving of something like $300,000 has been made chiefly by combining six branches into three and consolidating the services so that officials have a freer hand to do work which is not so closely defined as hitherto has been the case. There has been practically no reduction of service except in connection with cow testing, which is different from R.O.P. testing. The provinces agreed that they should undertake cow testing, which gave us an opportunity to make further efforts in connection with R.O.P. testing. We have had many comments to the effect that this reorganization has improved the services given.

Mr. CASGRAIN: Has there been any decrease in the amount allotted to the province of Quebec for fairs and exhibitions due to the reduction in the item?

Mr. WEIR (Melfort): No, the grant is the same as it was last year.

Mr. CASGRAIN: How much does the province of Quebec receive under this vote for fairs?

Mr. WEIR (Melfort): A very large share in comparison with the other provinces. I have not the figures before me.

Mr. CASGRAIN: Has the minister any idea how much is paid out of this vote for exhibitions and fairs in the province of Quebec?

Mr. WEIR (Melfort): I have not the total, but I can get the amount for each fair and give it to the hon. member.

Mr. VALLANCE: I notice this item includes assistance to fairs and exhibitions. This is rather a large item, and I wonder if the minister could tell us just how this money is to be spent.

Mr. WEIR (Melfort): The vote is made up as follows:

Field services	$540,084
Market services	256,684
Poultry services	266,797
General services	175,237
Exhibitions	279,500

Mr. VALLANCE: At this point would the minister give the committee some information with regard to the regional fairs that were brought into existence by the minister during his administration, particularly as to how they were received?

Mr. WEIR (Melfort): We tried out the policy of regional fairs at first by having one fair in each province and the results were satisfactory. The following year we allotted the grant to a different fair in each province. The satisfaction expressed especially by farmers was such that last year we offered regional grants to all so-called class B fairs except in cases where such interfered with provincial plans. As I said before the farmers felt that the fairs had had a very good effect in stimulating people other than professional show people to exhibit.

Mr. VALLANCE: Is it the intention of the department to increase the regional fairs this year or to maintain or curtail them?

Mr. WEIR (Melfort): It is not the intention of the department to curtail them but on the whole to leave them as they were last year.

Mr. VALLANCE: With the same grant?

Mr. WEIR (Melfort): Yes. In one or two isolated districts it may be possible that there may be additional regional fairs.

Mr. McKENZIE (Assiniboia): I should like to know if there will be any change this year in the grants for class B fairs in Saskatchewan?

Mr. WEIR (Melfort): No.

Mr. LUCAS: How many of these regional fairs are there in Alberta?

Mr. VALLANCE: Would the minister enumerate the fairs, and tell us where they are held?

Mr. WEIR (Melfort): They are as follows:

New Brunswick:
Woodstock, Fredericton, Chatham.
Quebec:
Quebec regional, St. Hyacinthe.
Ontario:
Leamington, Port Arthur, Lindsay.
Manitoba:
Carman, Dauphin, Portage la Prairie.
Saskatchewan:
Lloydminster, Melfort, North Battleford, Prince, Albert, Weyburn, Yorkton, Estevan.
Alberta:
Lethbridge, Red Deer, Vegreville, Vermilion, Camrose.
British Columbia:
Chilliwack, Armstrong, Kamloops.

Mr. BOUCHARD: I should like to bring to the attention of the minister an extract from the March 12th issue of the publication L'Action Catholique. My translation is as follows:

One or our readers sent us a copy of the following letter which he received from one of the government services:

"February 25, 1934.

Dear Sir:

We have received your letter of the 13th instant, asking for a French copy of our report.

We regret to inform you that owing to the expense and lack of funds we no longer publish our report in French.

Yours truly,
Canadian National Live Stock Records.
W. Brant,
Accountant."

Would the minister give an explanation in this matter?

Mr. WEIR (Melfort): The Canadian National Live Stock Records is not part of the federal Department of Agriculture. Originally each breeding association had its own registration. It was felt after some time that by a combination of their efforts they could give a cheaper and better service. With that in mind practically all the breeders have so combined. The Holstein breeders are not included; they continue to operate their own bureau and have their own registration office. The letter to which reference has been made by the hon. member for Kamouraska does not apply to the Department of Agriculture.

Mr. BOUCHARD: Do they not receive a grant?

Mr. DUPRE: May I add a word? If the hon. member would look at a later edition of the same publication he would see therein a letter addressed by Mr. Charles Fremont confirming my colleague's statement, pointing out that the federal government had nothing whatsoever to do with their activities, and stating further that the only reason for not issuing any more French copies was that they had no funds.

Mr. BOUCHARD: I do not find fault with that. But if the Canadian National Live Stock Records Association is receiving an increased grant from the government they may be in a position to have the French copy published. However I have no criticism to offer.

Mr. WEIR (Melfort): I should be glad to discuss this matter with the Canadian National Live Stock Records Association. I know that the hon. member who has just spoken is deeply interested in agriculture and has special influence with some of the breeders' associations of the province of Quebec which would benefit from printing the publications in the French language. I should hope that between the two of us, even with their depleted finances, it might be possible to have the copies printed in French, because I heartily agree that the publication would be beneficial to the French farmers who, in recent years, particularly, have shown great interest in the improvement of their live stock.

Progress reported.

UNEMPLOYMENT AND FARM RELIEF

BILL IN TERMS GENERALLY OF RELIEF ACT, 1933, WITH PROVISION RESPECTING DELAYED RELIEF ACCOUNTS

The house resumed consideration in committee of Bill No. 42, respecting relief measures —Mr. Gordon—Mr. Gobeil in the chair.

Mr. MOTHERWELL: I understand that we are now proceeding with the relief legislation. I suppose it will be a relief to the government when we have finished with it.

Mr. BENNETT: No, not at all.

Mr. MOTHERWELL: Well, it will be a relief to me, and I believe to all of us. I shall not speak very long. As a matter of fact I do not know why we are again in committee on this measure at this time of night.

Mr. BENNETT: I shall explain. When this afternoon I moved the house out of committee on the measure, so that we might proceed with supply, I stated, in response to the Speaker's usual question, "When shall the committee sit again?" that it would sit this day. I therefore have moved the house into committee, and unless the committee desires to adopt the amendment I shall move it up again.

Mr. MOTHERWELL: It is a little late in the day, but I suppose we may as well put in full time. At six o'clock I had begun to make some observations. I did not give the right hon. gentleman much chance to reply, but I feel like asking him if he considered my proposals good ones. I do not know whether he listened to them or not.

Mr. BENNETT: Oh, yes.

Mr. MOTHERWELL: I could not see for the life of me why he could not give the amount of the line of credit that the government had guaranteed Mr. McFarland in connection with the handling of his wheat activities on the Winnipeg grain exchange. The information will be quite incomplete if that item is left out. We want the total. That is what I am after. I want to be able to say: The government spent $110,000,000 for relief and two or three hundred million, whatever it is, under the same act, under the guise of relief. The excuse for not giving information regarding the guarantee is that it would hurt the price of wheat. Of course I would not want to hurt the price of wheat. It is bad enough now. But what possible effect can disclosing the amount of this guarantee have on the price of wheat? What was the line of credit that was given up to the end of the last grain year, the first of August say? Was it the same all through? How much of it was used? I am not wanting to get at the amount of wheat held by Mr. McFarland. That is not the point at all. We pretty nearly know that, and it does not make any difference.

I want to assure the Prime Minister that I have often used this guarantee, in speaking to the people of the west, as an indication that the government was desirous of helping the farmer, although I had some grave doubts as to its advantage, for the simple reason that to the extent it kept up the price and kept our price out of line with competing countries, to that extent we frequently lost sales, because when your price is out of line with competing countries then they will get the sales. In looking for something this government has done I have used that guarantee both out in the west and in this house and said that the government should be given some credit for desiring at least to improve conditions. Why then cannot we be given the amount and extent of this guarantee? Other guarantees have been given by other governments and there has been no hesitation in stating the amounts. Our own government in Saskatchewan as already indicated, guaranteed a line of credit for the co-operative elevators and published the amount freely. From Washington from month to month we got at least the amount of the guarantees that were made a few years ago for a similar purpose. Why should that information be concealed here? I think what I am urging is as much in the interests of the government as of anybody else. As I say, I have used this guarantee as one of the few things which this government has done on behalf of the grain market. Even if it did not affect the price much if any, their intentions were good. Why this concealment? Why this star chamber method of doing business? Why this hole-in-the-corner method in regard to finance?

The government has taken the ground that we should cultivate better ethics in business. The Prime Minister's colleague, the Minister of Trade and Commerce (Mr. Stevens), in discussing the question before the committee on mass buying and in his Toronto speech, took the ground that the chain stores and the mail order houses had departed from what was the proper thing in business ethics. But

what are we to say of this kind of business ethics, using the credit of the country on behalf of a guarantee for promoting better marketing, and doing it in this clandestine manner? Is that good business ethics? Would it be in anybody else but the government? Would it be good business ethics for a private member of this house not to report candidly in his private business affairs to the shareholders or the people whose money was involved? I plead with the Prime Minister. It is not his usual practice to do business in a slithery way like this, and it is not the teaching and preaching of the government. It is not what they are out to inculcate in the minds of the people of Canada through the Stevens committee. They are practically merely saying: Do not do as I do, but do as I say. I want to know if it is out of order to press too hard for this information simply because the matter has been before the banking committee. Actually the matter was settled in the banking committee although that committee has not yet formally reported to the house. It was decided in the committee not to ask for the information, but having the Prime Minister of Canada now before us I plead with him to give us this information I am asking for. It is for himself to decide, but if he does not tell us I am afraid his blood will have to be on his own head; it will not be my fault because I have been asking for the information for several years.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Friday, April 13, 1934

The house met at three o'clock.

STANDING ORDERS

Mr. A. U. G. BURY (East Edmonton) presented the second report of the select standing committee on standing orders and moved that the report be concurred in.

Motion agreed to.

FOREIGN INSURANCE COMPANIES ACT

Hon. E. N. RHODES (Minister of Finance) moved for leave to introduce Bill No. 50, to amend the Foreign Insurance Companies Act, 1932.

Motion agreed to and bill read the first time.

PRIVATE BILLS

INTRODUCTION IN SENATE

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): May I ask the Prime Minister, in reference to the anouncement made in the other place yesterday, whether it is the intention of the government from now on to have all private bills introduced in the Senate.

Right Hon. R. B. BENNETT (Prime Minister): I gave notice last evening, which appears in the votes and proceedings to-day. When the matter is reached, the hon. gentleman will observe, from a reading of it, what the proposals are.

COMMUTERS CANADA—UNITED STATES

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Yesterday the hon. member for Gloucester (Mr. Veniot) asked whether or not, under the provisions of the Ashburton treaty, certain privileges were conferred upon residents of the Saint John district that bordered United States territory. I am of the opinion that he referred to article 3 of the Ashburton-Webster treaty of 1842, which provides for the movement of forest products along and through the river Saint John in the territory of Canada and the United States, and provides that residents of either country may follow, so to speak, these products as they pass down the river Saint John and its tributaries, through the state of Maine into New Brunswick or through New Brunswick into the state of Maine, as the case may be. It has no bearing on the border commuters' question. It is article 3 of the Ashburton-Webster treaty of 1842.

CANADIAN NATIONAL RAILWAYS

PURCHASE OF PROPERTIES IN CITY OF WINNIPEG

On the orders of the day:

Mr. J. P. HOWDEN (St. Boniface): I have a question to direct to the Minister of Railways. Perhaps I may say in explanation that some time ago, years in fact, the Canadian National Railways purchased certain lines in the city of Winnipeg, in Fort Rouge, for the purpose of extending the railway yards. Persistent rumours are in circulation that certain evils have taken place. On account of the depression which set in at about that time the railway did not go on with the yards, and the properties were left in the hands of the real estate firm which made the purchase, namely, Harris & Chis-

holm. It is now rumoured, firstly, that an excessive price was paid for these properties, secondly, that the expenses in connection with the handling of them were padded to a very decided extent, and thirdly that rents are collected on the properties that are not turned in to the railway at all in some instances, and that greater rents are collected than are turned in to the railway. I would like to ask the Minister of Railways if he has any knowledge of this matter, and if not, would he in the national interest have the matter looked into.

Hon. R. J. MANION (Minister of Railways): I have no knowledge of the matter referred to, and in view of the statement made by the hon. member I shall gladly have it looked into.

BRANCH LINE CONSTRUCTION

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): I have a question to direct to the Minister of Railways. A short time ago the minister said he would make a statement in connection with branch line construction in Canada. I think he intimated that he would make it when the estimates were up. I wonder if he can make any definite statement in that respect to-day?

Hon. R. J. MANION (Minister of Railways): I cannot do that. What I really meant to say, if I did not put it in those words, was that when the estimates of the national railways are under consideration by the special committee, that whole matter can be discussed. If the hon. gentleman is not a member of that committee no doubt he will nevertheless have opportunity to put his questions to the officers of the railway at that time.

UNEMPLOYMENT AND FARM RELIEF

BILL IN TERMS GENERALLY OF RELIEF ACT, 1933, WITH PROVISION RESPECTING DELAYED RELIEF ACCOUNTS

The house resumed from Thursday, April 12, consideration in committee of Bill No. 42, respecting relief measures—Mr. Gordon—Mr. LaVergne in the chair.

Some hon. MEMBERS: Question.

The CHAIRMAN: On the subamendment moved by Mr. Hanbury.

Mr. BENNETT: No, that was disposed of.

The CHAIRMAN: The amendment moved by the Prime Minister. Those in favour will say "aye."

Some hon. MEMBERS: Aye.

[Mr. Howden.]

The CHAIRMAN: Those against will say "no."

Some hon. MEMBERS: No.

The CHAIRMAN: In my opinion the ayes have it.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE (Vancouver): On division.

The CHAIRMAN: Carried on division.

Some hon. MEMBERS: Oh, oh.

The CHAIRMAN: Those in favour of the amendment please rise.

Some hon. members having risen:

Mr. IRVINE: Mr. Chairman, what is the vote about?

The CHAIRMAN: The amendment of the Prime Minister.

Mr. WOODSWORTH: You may be explaining it, but we cannot hear one word in this corner.

The CHAIRMAN: Those against the amendment kindly rise.

Mr. GARDINER: Will you please read the amendment so that we will know what we are voting for. The amendment has not been read yet.

Mr. BENNETT: Mr. Chairman, they desire to have the amendment read, and it has not been read since this house convened. May the amendment be read so that they will know what they are voting on?

The CHAIRMAN: Well, the vote will have to be taken all over again.

Mr. BENNETT: All right, the amendment has not been read.

The CHAIRMAN: It is the amendment to section 2 moved by the Prime Minister:

That section 2 of the bill be amended by striking out sub-paragraph (b) and by inserting in the said bill as section 3 thereof the following:

"3. In addition to the powers conferred under the provisions of any statute or law the governor in council may, when parliament is not in session take all such measures as in his discretion may be deemed necessary or advisable to maintain, within the competence of parliament, peace, order and good government throughout Canada; and at all times to take all such measures as in his discretion may be deemed necessary or advisable to protect and maintain the credit and financial position of the dominion or any province thereof."

Do you want me to read it in French?

Some hon. MEMBERS: No.

The CHAIRMAN: Those in favour of the amendment will kindly rise.

Mr. CASGRAIN: Pairs count.

Mr. GUTHRIE: Do pairs count?

Mr. CASGRAIN: Yes.

Amendment agreed to on division.

The CHAIRMAN: Is the section as amended carried?

Mr. MACKENZIE (Vancouver): Same division.

Mr. WOODSWORTH: Again I must protest Mr. Chairman, We cannot hear in this corner what you are saying. It may be difficult for the chairman to speak loudly enough, but we have reasonably good hearing and it is impossible for us intelligently to follow the business of this house—

Mr. YOUNG: Just follow your leader.

Mr. BENNETT: They are probably a little better off than the opposition, which has none.

Mr. WOODSWORTH: I say it is impossible for us to know what is going on, and I think it is due to the members in this corner that they shall be able to follow intelligently the business of this house.

The CHAIRMAN: I am trying to maintain order, but I cannot guarantee that the hon. members in that corner will intelligently follow what is going on.

Mr. WOODSWORTH: Mr. Chairman, I respectfully protest against such flippancy on the part of the chairman. I am serious in saying that we in this corner cannot possibly understand what the chairman is saying and cannot intelligently follow the debates. I insist that if we are to vote on these questions the question must be put in such a way as to be audible to members in this corner.

Mr. BENNETT: I know, Mr. Chairman, that you have recently been ill. Will the clerk assistant read the question? I entirely agree that the hon. gentleman, not as leader of his group, but as a member of this chamber, has a right to hear everything that transpires.

The Clerk Assistant: Shall the section as amended carry?

Mr. MACKENZIE (Vancouver): On a point of order. What is the section as amended? I understand the effect of the amendment moved by the Prime Minister, on which we have just voted, is to delete subsection (b) and insert in the bill a new subsection. There is no section before the committee now, as I understand, we have done both in one vote.

Mr. BENNETT: Precisely. The section is not amended; a new section is substituted for it, in order to remove the difficulty of the words that precede the operative words of section 2, "notwithstanding the provisions." They disappear in section 3, and the present section 3 which we now consider will be number 4.

Mr. MACKENZIE (Vancouver): The chairman put the question "Shall the section as amended pass?" That question cannot be put. We have already passed a new section 3.

The CHAIRMAN: But section 2 is not carried yet.

Mr. MACKENZIE (Vancouver): Exactly, but the chairman put the motion, "Shall the section as amended carry"? That motion should not have been put; we have already passed the new section 3.

The CHAIRMAN: Section 2 is not carried as yet; we must go back to section 2. Shall section 2 carry?

Some hon. MEMBERS: As amended.

Some hon. MEMBERS: No.

The CHAIRMAN: Order.

Mr. POULIOT: Before this section is carried, sir, I should like to ask one question. This morning I received bulletin No. 9, in regard to unemployed wage earners, issued by the bureau of statistics. Very often in this house I have advocated the classification of the unemployed. In this bulletin there is a partial classification according to their trades and so forth, and I should like to ask the government if it is intended to proceed with this classification or to discuss the matter at the next interprovincial conference in order that the provinces may assist in the work.

I am asking a very sensible question. I do not believe the problem of unemployment ever will be solved unless there is a classification of the unemployed. This can be done; it has been done in part by the bureau of statistics, and I am asking the government if it is the intention to proceed with that classification with the assistance of the provinces. If that is not possible I should like to hear the government say so, but until they do say so I believe it can be done. The Winnipeg Free Press, a great western paper, published an editorial some weeks ago in regard to this matter. I should like to stress the importance of this classification and I should like to know if the government are ready to proceed with that work.

Mr. BENNETT: The government has done everything it reasonably could do, in cooperation with the provinces and otherwise, to classify the unemployed.

Mr. MACKENZIE (Vancouver): I understand that we are now considering section 2 from which subsection (b) is deleted. Is that correct?

The CHAIRMAN: That is correct.

Mr. BENNETT: I suppose that is so.

Mr. MACKENZIE (Vancouver): Should not an amendment have been moved to change the lettering of the subsections?

Mr. GUTHRIE: Under our rules the law clerk does that. The numbering and lettering of sections and subsections is the duty of the law clerk.

The CHAIRMAN: Shall section 2 as amended carry?

Section as amended agreed to on division.

On section 3—Further powers of governor in council.

The CHAIRMAN: This is now section 4.

Mr. MACKENZIE (Vancouver): I should like to ask the Prime Minister if the only difference between this section this year and the section last year is the deletion this year of the subsection reading:

Assist in defraying the cost of the sale and distribution of the products of field, farm, forest, sea, river and mine.

Otherwise it is the same section?

Mr. BENNETT: Yes, I think that is correct. I thought for a moment the hon. gentleman said this was the only change in the act, but of course there are other changes. The provision with respect to guarantees disappears from the act, and there is some little change in the language of section 3, which contained the provisions to which the hon. gentleman has referred.

Now I may reply to the hon. member for South Perth, who asked three questions yesterday. The return I have is rather long, and I can do one of two things; I can either read it and place it on Hansard or hand it to the hon. gentleman. The expenditures are brought down to March 31, as known and estimated; that is, all the accounts up to that date have not been received, but the estimate of the departmental officials has been added to the returns. The projects begin with No. 8, and perhaps the hon. gentleman desires that I should read the return.

Mr. SANDERSON: How long is it? Perhaps it would be better to put it on Hansard.

[Mr. Pouliot.]

Mr. BENNETT: It contains six pages. I can answer one question which my hon. friend asked, as to the camps in Ontario. They are as follows:

	Strength
Diver, Ontario	88
Gillies, Ontario	46
Pagwa	77
Nakina	89
Kowkash	58
Lamaune	87
Wagaming	100
Sioux Lookout	112
Amesdale	70
Vermilion Bay	76
Camp Borden	227
Long Branch	78
Nakina, Group H.Q.	19
Royal Military College, Kingston	258
Petawawa	1,002
Barriefield	532
Reay	96
Kapuskasing	108
Lac Seul (Hudson, Ontario)	261
Lac Seul, Camp 2	99
Lac Seul, Camp 3	56
Lac Seul, Camp 4	56
Lac Seul, Camp 5	50
Lac Seul, Camp 6	86
Lac Seul, Camp 7	48
Lac Seul, Camp 8	62
Lac Seul, Camp 9	80
Lac Seul, Camp 10	46
Lac Seul, Camp 11	52
Lac Seul, Camp 12	39
Lac Seul, Camp 13	43
Lac Seul, Camp 14	42
Lac Seul, Camp 15	20
Lac Seul, Camp 16	17

The total expenditure, including money actually expended and as estimated, amounts to $2,629,990. If it will serve the hon. gentleman's purpose I will send the report to him or I can put it on Hansard, as he desires.

Mr. SANDERSON: Perhaps the Prime Minister would be good enough to put it on Hansard, and I want to thank the right hon. gentleman for his kindness in giving me this information.

Mr. BENNETT: Very well.

The statement is as follows:

Department of National Defence
Unemployment Relief Projects
Expenditure and known and estimated commitments to March 31, 1934, inclusive
Province of Ontario

Project No.	Location	Amount
8	Diver	$ 35,600
9	Gillies	31,540
11	Pagwa	27,240
12	Nakina	68,160
13	Kowkash	29,600
14	Lamaune	25,770
15	Wagaming	55,650
16	Sioux Lookout	31,770
17	Amesdale	42,720
18	Vermilion Bay	30,030

Project No.	Location	Amount
27	Ottawa Air Station	202,980
28	Trenton Air Station	320,180
30	Camp Borden	70,510
33	Long Branch	141,940
35	Nakina (Group H.Q.)	29,490
37	R.M.C., Kingston	111,020
40	Petawawa	334,160
42	Barriefield	201,630
45	Reay	22,120
46	South River	9,580
47	North Bay (Group H.Q.)	16,150
50	Kapuskasing	27,120
51	Lac Seul	598,840
59	N.D.H.Q., Ottawa	17,710
81	Ogahalla	18,570
90	Emsdale	7,930
91	Round Lake	12,320
92	Ramore	13,980
93	Porquis Junction	8,520
94	Tudhope	9,940
106	Allanwater	14,420
109	Kenora	22,460
112	Savant Lake	20,670
113	Sunstrum	19,670
139	Collins (On detachment from Nakina)	.....
	Total	$2,629,990

Department of National Defence
Unemployment Relief Works
Strength as at March 31, 1934

Project No.	Location	Total Strength
1	Halifax, N.S.	286
4	Upper Brockway, N.B.	6
5	Megantic, P.Q.	63
6	Bishopton, P.Q.	58
7	Quebec, P.Q.	420
8	Diver, Ont.	88
9	Gillies, Ont.	46
11	Pagwa, Ont.	77
12	Nakina, Ont.	89
13	Kowkash, Ont.	58
14	Lamaune, Ont.	87
15	Wagaming, Ont.	100
16	Sioux Lookout, Ont.	112
17	Amesdale, Ont.	70
18	Vermilion Bay, Ont.	76
20	Lac du Bonnet, Man.	79
21	Winnipeg, Man.	58
26	Hope, B.C.	118
27	Ottawa Air Station, Rockcliffe, Ont.	543
28	Trenton Air Station, Trenton, Ont.	848
29	Saint John, N.B.	150
30	Camp Borden, Ont.	227
33	Long Branch, Ont.	78
35	Nakina, Ont., Group H.Q.	19
37	Royal Military College, Kingston, Ont.	258
39	Valcartier, P.Q.	1,620
40	Petawawa, Ont.	1,002
42	Barriefield, Ont.	532
44	Dundurn, Sask.	983
45	Reay, Ont.	96
47	North Bay, Group H.Q.	16
48	Victoria, B.C., Dist. H.Q.	20
49	Calgary, Alta., Dist. H.Q.	20
50	Kapuskasing, Ont.	108
51-1	Lac Seul (Hudson, Ont.)	261
51-2	Lac Seul, Camp 2	99
51-3	Lac Seul, Camp 3	56
51-4	Lac Seul, Camp 4	56
51-5	Lac Seul, Camp 5	50
51-6	Lac Seul, Camp 6	86
51-7	Lac Seul, Camp 7	48
51-8	Lac Seul, Camp 8	62
51-9	Lac Seul, Camp 9	80
51-10	Lac Seul, Camp 10	46
51-11	Lac Seul, Camp 11	52
51-12	Lac Seul, Camp 12	39
51-13	Lac Seul, Camp 13	43
51-14	Lac Seul, Camp 14	42
51-15	Lac Seul, Camp 15	20
51-16	Lac Seul, Camp 16	17
	(Total all Lac Seul camps, 1,057)*	
52	Winterburn, Alta.	68
53	St. Johns, Que.	55
55	Hope, B.C.	318
56	Princeton, B.C.	231
57	West Coast Road, Sooke, B.C.	268
59	Ottawa, Ont. (N.D.H.Q.)	35
60	Kingsgate, B.C.	126
61	Crowsnest, B.C.	245
62	Kimberley-Wasa, B.C.	211
63	Long Beach, B.C.	188
64	Goatfell, B.C.	187
65	Nelway, B.C.	202
66	China Creek, B.C.	109
67	Shoreacres, B.C.	103
68	Rock Creek, B.C.	67
70	Group H.Q., Yahk, B.C.	9
71	Group H.Q., Nelson, B.C.	10
73	Hope-Rosedale Road, B.C.	211
74	Agassiz-Harrison Mills, B.C.	315
75	Esquimalt, B.C.	89
76	Hope-Boston Bar Road, B.C.	385
77	Group H.Q., Hope, B.C.	13
78	Group H.Q., Princeton, B.C.	11
79	Group H.Q., Sooke, B.C.	5
81	Ogahalla, Ont.	58
82	Merritt, B.C.	88
86	Group H.Q., Spence's Bridge, B.C.	10
87	Spence's Bridge-Lytton, B.C.	127
88	Spence's Bridge-Cache Creek, B.C.	195
89	Spence's Bridge-Merritt, B.C.	257
91	Round Lake, Ont.	53
95	Group H.Q., Salmon Arm, B.C.	11
96	Salmon Arm-Sorrento, B.C.	94
97	Salmon Arm-Sicamous Grindrod, B.C.	137
98	Rooseville Cutoff, B.C.	96
100	Group H.Q., Revelstoke, B.C.	11
101	Big Bend (Revelstoke Nth), B.C.	117
102	Revelstoke-Sicamous, B.C.	196
103	Duck Mountain, Man.	157
104	Dist. H.Q., Winnipeg, Man.	14
105	Point Grey, B.C.	183
106	Allanwater, Ont.	78
107	Caddy Lake, Man.	101
108	Boston Bar, B.C.	76
109	Kenora, Ont.*	95
110	Shilo, Man.	112
111	Point Grey, B.C., Group H.Q.	11
112	Savant Lake, Ont.	54
113	Sunstrum, Ont.	62
114	White Rock, B.C.	288

*While camps at Lac Seul are in Ontario the personnel is drawn mainly from Manitoba.

Project No.	Location	Total Strength
115	Aldergrove, B.C.	132
116	Pender Harbour-Half Moon Bay, B.C.	248
117	Squamish, B.C.	70
118	Boston Bar, B.C.	2
119	Sarcee Camp, Alta.	129
120	Calgary-Banff, Alta.	640
121	Edmonton-Jasper, Alta.	313
122	Frank Slide, Alta.	203
123	Colter's Siding, N.B.	576
124	Taghum, B.C.	99
125	Cotton Creek, B.C.	39
126	Kamloops, B.C., Group H.Q.	9
127	North Thompson River, B.C.	105
128	Dead Man Creek-Kamloops, B.C.	58
129	Kelowna, B.C., Group H.Q.	9
130	Oyama, B.C.	101
131	Nahum, B.C.	33
132	Naramata, B.C.	69
133	Ladder Lake, Sask.	55
134	North Vancouver, B.C.	54
135	Yahk, B.C.	104
136	Kitchener, B.C.	85
137	Whitefox, Sask.	46
139	Collins, Ont.	10
	Total	18,799

Mr. YOUNG: Mr. Chairman, subsection (a) of this section reads:

(a) Provide for special relief, works and undertakings under control and direction of the Department of National Defence and the Department of the Interior.

We have been given to understand that the government contemplate endeavouring to relieve unemployment by embarking upon an extensive program of public works. Is it the intention of the government to submit that program of public works to this house for approval before they embark upon it?

Mr. BENNETT: I explained to the hon. gentleman some days ago that it was the intention to do so.

Mr. VENIOT: Before this new section 4 is adopted I should like to take the time of the committee to make a few remarks. I spoke on this bill on its introduction, and I should not be inclined to speak again were it not for certain statements and arguments advanced by the right hon. Prime Minister.

First let me say that the reference to an attempt on the part of the opposition to raise a sectional cry and to turn the east against the west should not have been made by the right hon. gentleman, I think, until he had first given serious consideration to what was done by his own party in 1930. If ever there was an attempt to turn the east against the west it was made by certain Conservative candidates in the election of 1930 when they criticized what was commonly known at the time as the Dunning budget. True, that criticism was not made on the floor of this house, but it was made during the election campaign. I hold in my hand a press report of a speech delivered in Montreal. It is as follows:

The real aim of the budget—

The Dunning budget.

—is to open markets for the wheat produced by the western provinces, but wheat is not the only industry in Canada. The man who gives $10 of labour in manufactures is doing as much in Canada as the man who produces ten bushels of wheat in the west. We have made sacrifices for these western provinces, and I give credit to the ministers of these provinces for what they obtained from the government, but I ask the representatives of Quebec what they have obtained for our population.

Then he goes on to state:

Mr. Dunning always thinks in terms of wheat. He has never had much else to think about. The entire wheat crop of Canada has never yet reached $500,000,000 in total value in any year. Yet the gross annual value of the products of the factories of the island of Montreal alone is approximately $575,000,000.

An hon. MEMBER: Who said that?

Mr. VENIOT: I am asked who said that. The press reports that the statement was made by Mr. Cahan, who now occupies the portfolio of Secretary of State.

Mr. CANTLEY: What is the matter with it?

Mr. VENIOT: I am asked what is the matter with it. Because hon. members on this side of the house have referred to the aid given to distressed western farmers, they have been accused of raising a sectional cry and of attempting to turn the east against the west. If ever there was a more determined attempt made to turn the east against the west than is to be found in the speech I have just read, I should like to see it.

Some hon. MEMBERS: No, no.

Mr. VENIOT: Why appeal to the people on the island of Montreal in the way this appeal was made? Why did he refer to the west receiving the benefits under the Dunning budget, if he had not in mind opening the eyes of people in the east to what the government of the day may have been doing for the western farmers?

While I am on that point let me say this to the right hon. Prime Minister. I believe I speak for every Liberal member when I say that we on this side of the house have no fault to find with the government—

Some hon. MEMBERS: Hear, hear.

Mr. VENIOT: —for aiding the distressed western farmers. And when I appeal to the government to think of what they might be able to do to relieve the distress in the maritime provinces, and especially in certain sections, I do so at the risk of being told that I am the unfortunate medium expressing their wishes. I believe I am expressing the sentiments of every hon. member from the maritime provinces on either side of the house when I state that we were only too glad, when an appeal came from the distressed districts of western Canada, to do our utmost, despite the distressed circumstances under which we in the maritimes lived, to send our quota of help to those unfortunate farmers in the west. I wish to add my word of praise of the good people of the maritime provinces who generously, considering the depressed condition of affairs in their provinces, contributed carload after carload of produce and clothes which were sent to western Canada. We are prepared to do that again. If this government desires to ask the House of Commons for $1,000, $100,000, $1,000,000 or $20,000,000, any sum which in their opinion is necessary to relieve the distressed districts of western Canada, hon. members on this side of the house without hesitation will vote the money. We know about those distressed conditions in western Canada; we know that they have suffered from drought and from the grasshopper plagues. However, notwithstanding the sympathy we may feel for those people and notwithstanding the fact that we are prepared to help them with our votes, we from eastern Canada are not prevented from appealing to the government and pointing out to them the unfortunate conditions in our respective sections of the maritime provinces. And so I wish to join with the right hon. member for Antigonish—

Some hon. MEMBERS: Oh, oh.

Mr. VENIOT: —the hon. member for Antigonish-Guysborough (Mr. Duff) in his appeal to the government. On this occasion I do not appeal for aid for the Canso fishermen; he has done that nobly and well. I appeal to the government to consider the situation existing in northern New Brunswick, including the counties of Westmorland, Kent, Northumberland, Gloucester and Restigouche. I appeal to the government on behalf of the fishing industry and interests of those counties. May I say to the Prime Minister that what the drought and grasshopper plague has been to the farmers of western Canada, the numerous storms of unprecedented fury which have prevailed along the north Atlantic coast have been to the fishermen of those counties. Storm after storm has destroyed many ships. Fishing gear has been destroyed to a point where the men are not able to prepare themselves as they should be prepared for this spring's fishing operations. Not only have the storms destroyed the fishing gear, but in many cases the fishermen have been prevented from catching a quantity of fish sufficient to enable them to live through the winter months.

No doubt I will be told that this matter should be presented to the provincial government, so that they in turn may appeal to the federal authorities. May I say that if there were a slight amendment to the new section 4 of the bill no such process would be necessary. Under the new section 4 power is provided to give special relief, and such relief is placed under the jurisdiction of the departments of National Defence and the Interior. I suggest that the section might go a little farther, and that the Prime Minister might consider an amendment providing that special relief be within the control of the Department of Marine or the Department of Fisheries. As I understand the bill, if the section passes in its present form the two departments mentioned will not be competent to look after the needs of fishermen. I do suggest that the Department of Marine or the Department of Fisheries should be included in the section to work on behalf of the fishermen. In order to meet the situation I have described the government should name a special commission, if you like, composed of the Deputy Minister of Fisheries, an officer from the department which he would choose to act with him, and that the two should choose a representative of the fishermen in the counties I have named or, if they thought it better, the whole province. On their report the government of the day will act, having authority under section 4 to do so and provide the relief that is necessary. I am not now, Mr. Chairman, as has been charged by hon. gentlemen opposite against speakers on this side, speaking for political effect. There is no need for me to do that. I am speaking because I know the conditions under which the fishing industry is labouring in those counties, and I am making this appeal to the parliament of Canada and laying before it the conditions that exist in the districts I have mentioned simply because I think it is my duty to do so. Because I am speaking on this particular clause after having already spoken on the bill when it first came up, I may be accused of attempting to delay its passage. I do not care whether that accusation is hurled across the floor at me

or not. I feel it is my duty to appeal to parliament on behalf of these people, and I repeat that I am making this appeal solely because I consider it to be my duty.

I have here certain statistics which I wish to submit to the house and to base thereon certain questions. The right hon. the Prime Minister in his statement the other day told us that there had been a considerable industrial movement for the better in this dominion. True I will admit that there has been some improvement in some of the industrial centres, but how are we to reconcile the Prime Minister's statement with the figures I shall now give? I find that in January 1933, there were 258,298 heads of families receiving relief in this country, and that that number increased in January 1934 to 260,157. There is certainly no evidence there of an improvement in the unemployment situation in Canada.

I do not wish to take up very much more of the time of this committee but I should like to refer once more to the statement that has been made that we are attempting to arouse the east against the west. The Prime Minister in his statement the other day said that aid given to the west was measured by the necessity that existed. We are quite satisfied with that. But may he not also cause to be inquired into the necessity that exists for the aid that I am now asking for the fishing industry in the province of New Brunswick?

Mr. MACDOUGALL: Will not that aid be given under the Marketing Act?

Mr. VENIOT: That act is not yet in force, and I am not going to discuss it at the moment. I shall be glad to discuss it when it is before the house. So far as I have read it, I do not think there is any clause in the marketing bill to meet the situation I have described, although I may be mistaken.

I think the Prime Minister is quite correct when he says that aid should be given according to the measure of the necessity that exists. I approve of that stand, and I wish that same principle to be applied to the necessities of the fishermen of the province of New Brunswick in the sections I have named. Why should we in the east oppose aid to the distressed farmers of the west? We in the maritimes have numerous relatives living in the west. Some of the first pioneers in western Canada came from the maritime provinces. Some of the brightest men and women, some of the best business heads, some of those who are now shining stars in western Canada came from the maritime provinces. Our own blood is there, and we who have remained in eastern Canada have looked with longing eyes for the return of our friends. We would like them to return and stay with us, but at least we hope they will return and visit us. Numerous communications that we have received from our relatives in the west have placed before us in no uncertain way the hardships which they are undergoing. So we are in a position to appreciate the situation in the west, and we are only too anxious, especially those of us who have relatives out there, to do our best to help them out, and one of the best things we in eastern Canada can do to help those in the west is to vote a sufficient sum of money in this parliament to see that those in the west especially in those districts distressed by drouth and the grasshopper plague will be carried through their present difficulties.

Mr. YOUNG: There is one other question I would like to ask in regard to the new section 4 (a).

The CHAIRMAN: We are still on clause 2 of the bill. It is not carried yet.

Some hon. MEMBERS: Yes.

The CHAIRMAN: Shall clause 2 as amended carry?

Section as amended agreed to, on division.

The CHAIRMAN: Next is clause 3, now clause 4.

Mr. YOUNG: If I understand paragraph (a) aright it gives the government power to undertake, in addition to the public works program which is to be submitted to the house, any other works under the direction of the Department of National Defence and the Department of the Interior. Is that correct?

Mr. BENNETT: The hon. gentleman will remember that last year under the act then passed we dealt in a special section with the operations in the national parks. This is intended to continue that. During the last few months the Department of National Defence has been carrying on certain works, and as I indicated yesterday the conditions under which the men worked involved their leaving for settled employment when it offered. This clause is to enable the operations in the parks and those carried on by the National Defence department to be continued. They will be separate and distinct from general relief work and are referred to as special relief works. A few evenings ago the Minister of the Interior indicated the character of the works carried on in the national parks, very necessary work that

perhaps otherwise could not be done for a long time under a general appropriation; and the work that is being done under the Department of National Defence I need not dwell upon. The special public works undertakings that will be dealt with in a bill are works along the line of the suggestions that were made by the construction association and other industrial groups throughout the country during the last few months, with which I dare say the hon. gentleman is familiar.

Mr. YOUNG: That is to say, there will be no other works undertaken under this section except such as just now described by the Prime Minister.

Mr. BENNETT: Relief works in the parks and those under the Department of National Defence. I would not like the hon. gentleman to think for a moment that I have put a construction upon the extent or character of the works that may be done under this clause for I am not in a position to do so, but there are relief works within the parks and relief works carried on along the lines of those now being carried on by the Department of National Defence; for instance, the work at Lac Seul, where a very large number of men is employed for the purpose of clearing up all that area within the provisions of international agreements covering that area.

Mr. HANBURY: As I understand it, these works will be carried on by the single, unemployed under the control of the two departments mentioned.

Mr. BENNETT: That would be too narrow a construction for me to put upon the operations. In the parks some of the permanent residents engaged in roadmaking are those who have been residing in the parks for some years. It will not be limited entirely to the single, unemployed and homeless men but in a broad and general way that is the purpose of the class of work to be carried on by the Department of National Defence.

Mr. HANBURY: I should like to say a word or two in connection with the single, unemployed men. I think the Prime Minister and all hon. members will agree that a more or less mental condition is arising in the case of these men which is not in the best interests of the country. Would it not be possible to do a certain amount of educational work among these men? I think this would be of practical advantage to Canada. At the present time we are importing very large quantities of oil and I think every hon. member believes that at some place in Canada there must be large reservoirs of oil which have yet to be discovered. I suggest that some education in geology should be given to some of these unemployed single men in order to fit them to search the country for oil fields. They could be maintained just as easily in that work as they could be in these camps.

I should like to make a further suggestion as to the teaching of geology so that they might be able to investigate the minerals of Canada and, within a reasonable time, probably bring into production larger quantities of gold which has acquired such a great value in the markets of the world. I make these suggestions to the Prime Minister not so much for the practical value they may be to Canada as for the value they may be to some of these men.

Mr. BENNETT: I do not know whether the hon. gentleman is aware that arrangements were made last year whereby single men and some with families could carry on operations in the gold-bearing streams of British Columbia. In some instances, although not always, they were able to wash out sufficient gold to make it worth their while. In any event, considerable compensation was received for the efforts made. Under the agreement made with British Columbia, some assistance was given in the first instance, as was also the case with Alberta. In the nothern part of that province there have been evidences of traces of gold in the sands of the rivers. Perhaps the hon. gentleman will remember that near Edmonton quite a substantial quantity of gold was washed in the days that are gone.

The hon. gentleman has mentioned a matter that has given us a great deal of thought, the extent to which the idle might be usefully employed in exploring for minerals. However, I am bound to say that the investigations appear to indicate that this is rather an expensive process. I do not know whether the hon. gentleman has taken the trouble to look into the figures, but the fact is that even with the large amounts of gold produced by our mines, the amount received for that gold is very little more than the amount which has been expended during the years in the endeavour to find that which unfortunately in many cases did not exist.

The oil question is perhaps the most difficult. For instance, the amount expended in Alberta in seeking oil—I speak subject to correction—is between eight and ten million dollars. So far all that has been produced is the wet naphtha south of Calgary and some small traces of crude petroleum. The Fort Norman field is too far north at the moment to yield to successful commercial exploitation.

The product is used for the fueling of aeroplanes at that particular point, a small skimming plant having been erected to purify and refine the crude oil. I have no desire to trespass upon the time of the committee, but this matter is of great personal interest. I hope we may be able to do something in that direction but our experiments thus far, beyond what I have indicated, are not such as to warrant any great hopes in this regard.

I am pleased to be able to inform the hon. members of this committee that the Frontier college has been doing substantial work in these camps in the way of education. The other evening I read with great interest a report from one of these camps and it quite heartened me to think that the young men had taken such an interest in education. I am referring to the camps conducted by the National Defence department, and I should have liked to have had this report to read to the hon. gentleman. It is really quite interesting and encouraging. These young men are endeavouring to improve their positions and the wastrels do not seem to stay in the camps very long because they are not encouraged to remain by that class of young men which has taken control in most of the camps. It is an encouraging sign that such conditions have been brought about as to warrant the encomium pronounced upon General McNaughton by Sir Arthur Steel-Maitland, who was Minister of Labour in Great Britain for some years. There has been some measure of organization with respect to self-education and I assure my hon. friend that should the camps have to continue that feature of the work will not be overlooked. The fact is that out of 20,000 odd men, some 7,000 have found permanent employment and this would seem to indicate that industry is absorbing at least some of those who were in these camps.

Turning for a moment to the observations of the hon. member for Gloucester (Mr. Veniot). I think he will recall that what I said yesterday was in consequence of complaints which had been made as to the lack of justice, on the one hand, and unfairness, on the other. There were two statements made by different hon. members and it was in consequence of those statements that I made the observations I did. So far as the fishermen are concerned, the mass buying committee, if I may use that term—it got me into trouble in one case I believe—

Mr. HANBURY: Oh, oh.

[Mr. Bennett.]

Mr. BENNETT: I see that the hon. gentleman has read the joke. This committee is considering the matter and at the present time I think is receiving evidence in connection with the position of the fishing industry in the maritime provinces in order to see what may be done in connection with the prices received for the catch and the spread between those prices and the prices paid by the consumer. I should like to say to the hon. gentleman that when I made the observation to which he has referred, I was referring only to the fact—the newspapers have made jocular reference to this—that the representations that have been made to the federal government in connection with all these matters have not been made by the industries themselves nor the classes affected but by the governments of the provinces. Where we have received communications from industries affected by the efforts that we were making, attention has at once been directed to the necessity of these matters being presented by the government, they being the only authority with whom we had contact and with whom we had entered into agreement. Some assistance was given last year in the hon. gentleman's county with respect to hake fishing.

Mr. VENIOT: How much?

Mr. BENNETT: This assistance was given in the counties of Charlotte, St. John, Kent, Restigouche and Gloucester and amounted to some $8,000.

Mr. VENIOT: That was not given as assistance to the hake fishing industry. It was given for the purpose of buying from the fishermen to relieve the distress among the poor people in the different sections in the county of Gloucester. It was not a bonus or help to the hake fishermen in Gloucester.

Mr. BENNETT: All I can say is that assistance was given to the industry to the extent of $8,000 by agreement with the government of New Brunswick, and in the same way exactly as provisions were made with respect to seed grain. In connection with matters in New Brunswick, Nova Scotia and Prince Edward Island, so far as the fishing industry is concerned, or in British Columbia or in connection with the internal fisheries such as we have on lake Winnipeg and in northern parts of Alberta, any representations that are made by the governments of these provinces will be carefully considered and if the case is such as merits favourable consideration such consideration will be given to it. I can say that at least with great certainty.

Mr. BRADETTE: I wish to say a few words with regard to an important movement that comes under this question we are discussing. I refer to the back to the land movement. The other evening the Minister of Labour gave an answer to the effect that most of the people settled under this movement have been doing well, and it is true that the failures are not the rule but rather the exception. Nevertheless, I should like to impress certain facts on the Prime Minister. This scheme is intended to last for a period of three years only, and everyone familiar with the agricultural situation—and this applies as forcibly to my own section of the country as to any other rural part of Canada—knows that at the end of the three years, or on the completion of the plan, the people who will have been placed under this scheme on new holdings will find themselves in the same position as in the initial year. This plan has been in operation for the last two years so that at the end of next fall the people on the land at the present moment will find it absolutely impossible to remain in their present occupation.

I would urge very strongly on the Prime Minister as well as on this committee the necessity of extending this scheme instead of having an iron-bound rule confined to three years. I submit that it should be more flexible; it should extend over a longer period. I am directly interested in this question for the excellent reason that there are more people placed on the land in my own constituency than in any other section of Canada. Nearly 250 families have been located under the scheme in northern Ontario, and for that reason I make this urgent appeal to the Prime Minister. I think that every member of this committee will readily visualize the situation that will face these families at the end of the three-year plan. Everyone knows that it is absolutely impossible for the families to do more than barely live with the $200 they receive under the tripartite agreement; it is simply impossible for them to make any provision to take care of the future. Consequently these people will find themselves on the completion of the plan in the same position as that in which they were in the initial year. I know that the government is fully aware of the situation, and I know that the Minister of Labour in particular is familiar with all the circumstances inasmuch as a good many of these families have been settled in his own constituency.

I read this morning with a good deal of interest an article published in the Ottawa Citizen entitled The New Settler. I gather that the city council was asked to vote the sum of $3,000 for the purpose of sending fifteen families to settle under the back to the land movement, but the city fathers claimed that they were saving the sum of $6,000 a year, and the article in question contended that this was not a way to encourage a back to the land movement. In my opinion this article, well written, should appeal to the government. For that reason I again appeal to the government and more particularly to the Prime Minister, the same kind of appeal I made two weeks ago last Monday, namely, to enlarge the back to the land movement so as to make it acceptable to young farmers and settlers in this country. Their fathers are absolutely unable to provide them with farms and I think the scheme should be extended to meet their case. I have no doubt that the government is sincere in its attitude towards this matter.

I can speak quite freely with regard to this problem inasmuch as I have always given the government my approval ever since the back to the land movement was inaugurated, and I suggest that this would be one of the most tangible ways in which the government could manifest its sincerity in connection with this wonderful scheme, which in my opinion would go a long way towards restoring equilibrium between urban and rural centres. I would ask the Prime Minister to say something which would leave with the committee the impression at any rate that the scheme will be extended over a longer period than three years, because I think that, for the reasons I have enumerated, this is absolutely necessary, regardless of any objections that may be made in some sections of the country to having it become a purely federal matter. Notwithstanding this objection I do submit that at least it should be made provincial and federal only. I know for a fact that in our own section most of the districts are still unorganized, and although there are dozens, yes, hundreds of young people who would like to come under the scheme, they find it impossible because their own municipalities have not sufficient means to contribute the $200 required.

I am personally convinced that this is a step in the right direction. It deals with the question from a proper angle, and it is one of the greatest movements the government has inaugurated. At the same time, after the experience of the last three years, I think the government must see the absolute necessity of extending the scheme, so as to apply to the rural and urban populations generally. In view of the exigencies of the situation I think the government should make

it not only three years but five years, and I make that suggestion believing in the absolute sincerity of the Prime Minister. I think that he will give this request the attention it deserves. May I put a direct question to the right hon. gentleman? Is it the intention of the government to extend this scheme at the very least to four years as an emergency measure?

Mr. BENNETT: The provincial governments speak for themselves. I am always glad to hear the hon. gentleman make observations, but in this instance he is dealing with a matter wholly within the jurisdiction, in the first instance, of the provincial governments, and to their representations we give every consideration. At the conference we had in January the provincial governments made their representations, and thus far it is only fair to say that the provisions made by the federal government have not wholly been met so far as settlers are concerned.

There is only one other thing to remark and that is this: Lands belonging to the crown belong to the crown in right of the provinces and the federal government is no longer, except in the Northwest Territories, in a position to deal with these areas. All these matters are matters of representation made by the governments of the provinces, and to their requests as made, and to their representations as presented we will give and have given most sympathetic consideration.

Mr. BRADETTE: I certainly appreciate the words of the Prime Minister, but in this matter under discussion the lead has been given by the central government. We are all aware of the fact that the back to the land policy was adopted by the present government with the sanction of all the groups in this house. I believe that in this case the lead should again be given by the federal government. I am aware of the fact that the land belongs in most cases to the province, but we cannot get away from the fact that the back to the land policy has been inaugurated by this government and followed by the provinces, and if in this instance it is to be enlarged it will have to be by the central authority.

Mr. MacLEAN: I would like to bring some matters to the attention of the Prime Minister. From a return brought down in the house on March 22 it may be observed that the province of Prince Edward Island received only $72,920 of unemployment relief in the four year period. We are very proud of this record, we are glad to see that Prince Edward Island has got along with less relief money than any other province. The amount is so small that the comparisons are striking. I think it figures out only at about $3.70 per capita for the population of Prince Edward Island whereas for British Columbia we find that it is $13 or $14 per head. Now this clause that we are considering is to provide for special relief works and undertakings. In the speech from the throne at the opening of the legislature of Prince Edward Island this year mention was made of a public highway, part I suppose of the trans-Canada highway. The different speakers emphasized the fact that this work was to be gone on with this season. We welcome the news, and we hope that this govenrment will be able to assist in that work. One of the questions I would like to ask is whether in the construction of this trans-Canada highway half the expense has to be borne by the province, or is the federal government as in some other sections of the dominion bearing all the cost of this work?

Mr. BENNETT: It has always been a matter of satisfaction I think to everyone that the province of Prince Edward Island had no such necessity as many of the other provinces had. The total expenditure on relief there I think is about $3.20 per head. The necessity of course was very limited. In truth the maritime provinces have shown up very excellently in the present depression.

As far as the trans-Canada highway is concerned, it will perhaps be within the memory of the hon. gentleman, if he will take the trouble to look at the report that was made by the Minister of Labour, that the government was to ask the several provinces to pass orders in council dedicating certain highways already existent as part of the trans-Canada highway. Upon these highways certain expenditures were made by the federal government to bring them up to a certain standard. Obviously there is no way of getting from Prince Edward Island to the mainland except by ferry, but they presented a case that some assistance should be given towards highways that traverse that province where gravel is difficult to obtain and where a highway that would be useful for motors would involve an expense almost prohibitive to a population so limited. The government agreed that when the proposals were settled between the province and the dominion it would bear a portion of the expenditure. It was proposed to send an engineer down to make an investigation as to what would be the most suitable highway to utilize for the

purpose mentioned, but the engineers being otherwise engaged have not been able to go yet although I expect that within the next ten days one will do so.

Mr. MacLEAN: I wish to thank the Prime Minister for that information. It leads to another question. As the Prime Minister has pointed out, the province is connected with the mainland by the car ferry.

Mr. BENNETT: This has nothing to do with relief.

Mr. MacLEAN: We look upon that steamer as an interprovincial bridge. I think we are justified in so doing. We have been advocating every year that the charge for carrying automobiles across on that car ferry should be reduced to the very lowest point and that it should be treated as an interprovincial bridge and prohibitive tolls should not be charged for carrying automobiles. At the present time the charge for carrying autos on that ferry is $7 return. In addition each passenger in the car has to pay a fare, even the chaffeur has to pay the regular fare in addition to the $7 for the car. Now if Prince Edward Island is to be included in the trans-Canada highway, every facility should be given to link up that province with the rest of the highway and make it possible not only for the people of Prince Edward Island but of the whole dominion to use that ferry. I have a clipping in my hand reporting the Prime Minister, speaking at Ormstown, Quebec, on June 29, as saying that he favoured dominion assistance towards a bridge across the St. Lawrence at Lachine, but not a toll bridge, which would prevent farmers getting their produce to the market cheaply. In these days when trucks are such an important means of conveyance, if there was a moderate rate on that ferry large amounts of produce could be moved by truck from our province as in the case of other provinces. I know that this is a matter that comes under the jurisdiction of the board of railway commissioners and the railway directors, and possibly it is out of order here, but when we come to this question of the trans-Canada highway, which is a very important factor, every facility should be offered on that car ferry to link Prince Edward Island up with the rest of the dominion. If on the old boat, with which automobiles had to be loaded on flat cars and then shunted onto the car ferry, they could carry them for $7 each, under the new conditions, when they can drive on and drive off without any labour on the part of the operating crew, I think the fares should be reduced.

Another point is that the passengers going over get a return ticket good for only thirty days, whereas the ticket for the car is good for ninety days, so that there is often a serious mixup when the times comes for them to return. If they have overstayed their thirty days the return tickets for the passengers are no good and they have to take new tickets, even though they go back within the ninety days allowed for their car. All those are matters that we have had up with the railway, and I am sorry to say that they have not made the adjustment that we think they should. I hope someone will convey to the Minister of Railways the fact that we have brought this matter up, so that he will read in Hansard the presentation that has been made.

Mr. HACKETT: This relief act provides means for coming to the assistance of people who have not the opportunity of earning a livelihood for themselves. I think that the act in its application this year will be restricted to the industrial populations of our large cities. In the past it has applied to areas which have been stricken with pest, tempest and other visitations in no way attributable to the depression. What does the government intend to do to assist, in some permanent way, those vast lumps of humanity that have come together in the industrial centres? The other day someone said in the house that fifty-two per cent of the entire population of Canada is now urban dwelling; someone else said that Mr. Taschereau has stated that seventy per cent of the populaton of Quebec now lives in the cities and towns and someone else said that from eighty to ninety per cent of the entire growth of this country between 1921 and 1931 went into the cities. We know that the international exchange of goods is being carried on with increasing difficulty. Is it reasonable to anticipate that even with renewed industrial activity there will be sufficient industrial work to absorb and give gainful employment to our industrial population? Does it not behoove us at this time to seek some permanent solution of the difficulties which confront us? In Montreal last month over 240,000 people were fed from the public purse. How long can that condition go on? How long can twenty-nine per cent of the population of a great city such as Montreal be maintained by money either borrowed on the public credit or raised by taxation? I for one fear that it cannot

go on very much longer. While I realize the constitutional difficulties that stand in the way of action by the federal government, and while I understand that the full burden of remedial activity and legislation may rest primarily upon the municipalities, cities and provinces, yet wherever the initiative lies the peril is common to us all. This country, and in fact any modern country, cannot persist and endure if its cities are bankrupt, and our cities, great and prosperous as they have been, cannot persist under this burden placed upon them by the inactivity and the inability of such a substantial percentage of the population to earn a livelihood.

Therefore it seems to me, Mr. Chairman, that a way must be found whereby these people who are earning nothing and who are being fed by the state may at least be put in a position to grow their own food and provide for the essentials of existence. "Back to the land" is a slogan. It is extremely difficult to go back and undo a life's work. But it is well to remember that probably a great many of the unemployed in the cities came from the land. It is said that between eight thousand and nine thousand heads of families in Montreal are on the list already awaiting transportation to some place in the province where they can make agriculture their chief occupation. Many of these people, for reasons good or bad, abandoned the land. It is said that ten thousand heads of families in Montreal are less than ten years off the land. If that be true, ten thousand heads of families, if they were confronted with the necessity, and many of them, perhaps, if they were afforded the opportunity, could go back to the land and at least provide for themselves and those for whom they are responsible.

I said the other day that I did not advocate sending these people to the hinterland, to the fringe of civilization and beyond. While I am sure the minister has laboured valiantly in his attempt to get people to go back to the land, only a few families have benefitted by his policy. I believe it is not feasible to send great numbers of people into the wilderness. Pioneering is a profession and one does not qualify for pioneering in a factory town. But there are large areas of available land in organized districts where there are churches, schools, highways, electrical service and so on, districts in which the land, because it has been abandoned, is very cheap. In those districts plots of ten, fifteen or twenty acres could be made available to those people, who would not feel that by moving to those districts from the cities they were sacrificing all opportunity for the advancement and education of their children, and all possibility of communion with their fellowmen. The families who have been transported to the extreme north and northwest received something like $600, which is paid in two years, I believe. A substantial portion of this amount is consumed in transportation charges, and the balance is used up in providing those things which to some extent are provided already in the settled districts.

This is my suggestion, Mr. Chairman: In all the large centres there are social services in active operation. These agencies can make available to competent authority detailed information concerning almost any family in any of these large centres. On very short notice they can tell what people by training, aptitude or longing are proper candidates for this type of existence on the land, within striking distance of the industrial centres. It is said that we are to spend large sums of money on public works. I ask the committee what form of public work could be more advantageous to the country at large than permanently rehabilitating a large element of our population, which is now festering in inactivity in the cities, upon small tracts of land where at least they can provide themselves with fuel and food and without much difficulty, I believe, with all the necessities of life. The land throughout many of the old parishes is cheap to-day because farming as a business is not a paying vocation. Everybody on the land in the province of Quebec is free from any fear of hunger or peril from the elements. Many people on the land in that province are land poor. Land could be obtained from them at very low prices. I believe that a very substantial percentage of the farming population in old Quebec would be willing to part with some of their land for some small consideration which would enable them to pay taxes and to have a little ready money for their own immediate necessities.

I should like to know that at the beginning of this season the proper authorities would be invited to collaborate in a definite scheme to dissolve the masses of inert population who, for several years, have been unable to do for themselves that which every self-respecting Canadian citizen should at least want to do for himself, namely, earn his own livelihood. It is only a few years ago that the men and women who came to this country had absolutely nothing but the soil, their courage and their physical strength to apply to it.

Mr. BOUCHARD: And no taxes.

Mr. HACKETT: That may be true; there were no taxes then. But to-day there is offered a very large quid for their quo: good roads, means of education, freedom from fear of attack from any enemy and the elements. I do not think that taxes should be an insuperable source of worry to them.

The hon. member for Vancouver-Burrard (Mr. Hanbury) only a few moments ago made reference to education. He thought it would be well to send some of the unemployed youth into schools that they might learn something of the methods useful in searching for gold or other minerals. I am of the opinion that a very radical change must be made in the education of the Canadian people, and that some day that change will come about. At the present time if a person hazards any criticism of our educational system he is immediately castigated. The fact remains however that careers in the city, and especially the intellectual careers, are overcrowded. Metallurgy, electricity, mechanics and chemistry have become gods on whose altars children have for years been yielded up as offerings by deluded parents. The time has come when we must look to rural careers as an outlet for natural increase of our population. There are great openings in the rural centres, great openings which have been left void for two or three generations. That is one of the reasons for the difficulties now experienced on the land. Nearly everybody who had youth, energy, talent or ability left the land, with the result that to a large extent the land has been left in the possession of the aged, the impotent and the indolent. That observation may be turned against the person who utters it, and it may be described as an impolitic utterance. It might be interpreted to mean that one is inclined to scoff at those living in the rural sections of the country. Far from it. The statement is made in the hope that it may give to the rural sections new blood; they need the assistance of those who are condemned to inactivity in the cities. I believe that if the surplus population of the cities could be moved towards the country there would be generated an activity on the soil which would bring relief and a solution to many of our fiscal difficulties and economic problems. It would reestablish equilibrium in our population; it would give back a measure of prosperity to the countryside itself by sending back to it some of the youth and enthusiasm which for the last twenty or twenty-five years have been drifting unswervingly and constantly towards the cities.

I am therefore hopeful that in any plan of public works which may be evolved the possibility of rehabilitating the countryside and of sending people back where they can earn a livelihood will not be entirely overlooked. I trust that the constitutional objection may be overcome by a generous attempt on the part of all concerned to overcome it, and by a realization of the great peril in which the integrity of Canada stands, if it be not overcome.

Mr. MARCIL: Some weeks ago when the Prime Minister moved for the appointment of a select committee to inquire into price spreads the hon. member for Queens-Lunenburg asked that it be extended to fisheries. I immediately supported his contention. A few moments ago the Prime Minister said that some assistance has been given to the fisheries of the maritime provinces, and that conditions there are being inquired into. I should like to know if something has been done regarding the fisheries of the province of Quebec which, at the present time, are in a very bad state.

Mr. BENNETT: I did not hear the last part of the hon. member's question.

Mr. MARCIL: I should like to hear from the minister whether anything has been done regarding fisheries in Quebec. I understand an investigation is being made into the fisheries of the maritime provinces, and that some assistance has been given there. I should like to know if something can be done for Quebec.

Mr. BENNETT: I used the word maritime as applying to Quebec as well because Quebec is usually refered to by many of us at least as being a maritime province. When we speak of the lower provinces we say "the three maritime provinces." What I have said with regard to fisheries has equal application to the whole of that part of Canada producing fish, and even to the internal part producing fish from the lakes.

I should like to say to the hon. member for Stanstead that the hon. member for North Timiskaming is correct in his suggestion that as soon as the present Minister of Labour took office in 1930 he was of the opinion that some effort should be made to move men back to the land. Two plans have been formulated. One is the plan under which the federal government itself takes responsibility for the transaction when the arrangements have been made for the land that may be available for that purpose. The other is purely a relief measure. There has never been any constitutional difficulty. There has been no trouble on that score, and if the city of Montreal through the province of Quebec puts before the government proposals looking towards the absorption on the land of a num-

ber of residents of the city of Montreal the matter will undoubtedly receive most careful consideration. I am not going to discuss the sociological problem that is involved by the overcrowding of our cities, but a few months ago I heard a minister of the crown in Great Britain say that in Great Britain now there are a million men who would never work. That was the position that had come about there by reason of the conditions to which the hon. member for Stanstead has just referred. The machine age has increased to a great extent the number of people who are unemployed. Some people are of the opinion that the machine age would add to the number who would find employment, but in the aggregate, on balance, I believe that is not the opinion that is held to-day. I saw the other day an estimate that in the United States it was believed that forty per cent of the farming population would have to cease farming. That struck me as an amazing statement.

Mr. BRADETTE: Through restrictions on farming?

Mr. BENNETT: Because production was of such a character, it was said, that it would be necessary that forty per cent of the farming population should cease to carry on farming.

Whether a great movement of the people back to the soil, living there for the purpose of supplying their mere necessities, assisted by the state to the extent that may be necessary to enable them to become established, is capable of solving that problem is a question about which I express no opinion at the moment, but I do say that the government has given for the last three years, and will continue to give during this year, with the assistance of this legislation, such support to the joint efforts of cities and communities created by provincial legislatures and provincial authorities to make possible as large a movement of men qualified to make a success of living on the land as it is within reason to do. But I do not think that you can move ten thousand individuals from the cities to the land and undertake the work indicated by the hon. member for Stanstead unless we rearrange our whole theory of society. If we come to the conclusion that we will embark on some measure of socialization, one can understand a measure of that kind possibly becoming effective, but under our present conditions I am of the opinion that it could only be done as it is being done, by selection and with extreme care; and the assistance required to secure establishment may have to be continued, as has been stated here this afternoon, beyond the three years for a very considerable period.

On the other hand, an equilibrium between production and consumption and consumption and production may come about sooner than we can realize. My own view is that it can only come about by an expansion of international trade.

Some hon. MEMBERS: Hear, hear.

Mr. McINTOSH: On that you are perfectly right.

Mr. BENNETT: Well, no one has done quite as much to bring it about in this country as I have, but there are those like the hon. member for Weyburn (Mr. Young) whose idea of international trade and improved international trade—

Mr. McINTOSH: Freer trade.

Mr. BENNETT: —consists in merely permitting his own country to practise a virtue which others do not, and thereby become the victim of the virtue practised. That seems to be the theory on which so many of my hon. friends opposite dwell. I confess I cannot understand it. I cannot understand how any Canadian citizen would suggest that ten and a half millions of people should make it easier for other people to supply the wants of Canadians than the Canadians themselves, and how thereby you can add to the wealth of Canadians when you are depriving them of the means of livelihood which they now enjoy. That is an amazing suggestion. My hon. friend from Hochelaga (Mr. St-Père) smiles at the thought. He can readily appreciate how you could make it easier to sell the manufactured products produced in his riding by removing any imposts or duties, thereby giving employment to Czechoslovakia and closing the factories in his own district. It is a delightful thing to contemplate! It is one of those things that few Canadian citizens are ready to agree to, and when it is suggested that we do it, I can only say that I am not one of those who are prepared to do it. So far as I am concerned I never propose to do it.

But I am prepared to cooperate with the other nations of the world in doing our part as a small proportion, ten and a half millions of people, of a total population of about seventeen hundred million people; but to become the victims of our own virtue is not exactly what I contemplate doing. I can assure the hon. gentleman that when he applauds so warmly the thought of improved international trade, the kind of trade that he has in mind and the kind of international

trade I have in mind are entirely different. I am thinking of international trade based upon fair play for my own country compared with the treatment we accord to other countries, and not of making Canada just a dumping ground for the products of other lands. I have digressed from my observations, Mr. Chairman, for the purpose of dealing with that phase.

My hon. friend from Prince (Mr. MacLean) dealt with a car ferry which he said was a floating bridge that travelled by night—

Mr. DUFF: Ships that sail in the night.

Mr. BENNETT: That pass in the night, and he said that an unjust government insisted upon collecting a fare from the chauffeur as well as from other persons who passed on this floating bridge. Just why a chauffeur should be exempt from a fare any more than any other passenger I have been unable to understand. While my knowledge of Scripture is not quite all it should be, I thought while he was speaking I could recall a verse in the Bible, and so I sent for it, and these are the words:

> But Jonah rose up to flee unto Tarshish from the presence of the Lord, and went down to Joppa; and he found a ship going to Tarshish: so he paid the fare thereof, and went down into it, to go with them unto Tarshish from the presence of the Lord.

Mr. DUFF: That is not sacrilege, is it?

Mr. BENNETT: No, that is merely that Jonah paid his fare. There are even members of parliament who do not emulate Jonah in that regard. Just why a chauffeur should not pay his fare when the passenger does, I am unable to understand. As far back as four thousand years or thereabouts we are told that when Jonah went down to Tarshish he paid his fare before he went.

Mr. POULIOT: He did not pay his fare when he was in the whale.

Mr. BENNETT: But he did not ask for his fare back because of an interrupted journey.

These services cannot be carried on for nothing. Even a bridge has to be maintained and repairs would be necessary. If the charges are exorbitant—I cannot express an opinion as to whether they are—they are those imposed by the railway company and not by the government. Like every representative of the island, the hon. member has pressed this claim very strongly. A few days ago Doctor MacMillan, the premier of Prince Edward Island, presented some arguments with great strength and backed up with much material to show that the rates were excessive. The Department of Railways and Canals does not now deal with rates but the railway company has been asked on more than one occasion to look into the matter. They are of the opinion that the traffic does not warrant a reduction in the rates but it may well be that when the attractions of the island are better understood, and they are very great, the pressure of traffic will be such as to bring about a reduction in the charges imposed for the services rendered.

Mr. MARCIL: Mr. Chairman, I should like to complete the remarks which I commenced a moment ago. I understood that the Prime Minister included maritime Quebec when he used the general term, maritime provinces. I am very glad to hear this because at the present time the fisheries of Quebec are facing great difficulties. A conflict in jurisdiction has arisen through the transfer of the fisheries to the government of Quebec. A movement has been started by the Union des Cultivateurs Catholique, the Catholic Farmers' Union. I have received over one hundred petitions asking that there should be cooperation between the two governments in connection with the maritime fisheries of Quebec. These petitions have been received from all parts of the province. I read yesterday in the papers that the Minister of Fisheries in Quebec, Hon. Mr. LaFerté, complains that he has been unable to secure the cooperation of the Dominion government for the development of these fisheries. He asks that the fisheries be placed on the same basis as agriculture and that there be cooperation between the dominion and provincial governments in order that the fisheries may be helped. As everyone knows, the fisheries of Quebec are the oldest in the country. This coming July we are celebrating in Gaspé the four hundredth anniversary of the landing of Jacques Cartier and the planting of the cross of Christ on this country. This is a testimonial which should not be overlooked and I hope the government will not neglect anything it can do for the inhabitants of Gaspé, one of the most interesting and picturesque parts of Quebec.

The Prime Minister has given us a very interesting view of the conditions under which we are living to-day. From the slight experience of over a third of a century in this parliament I have come to the conclusion that this country was settled by the people going on the land. That is as old as civilization itself. The cities are merely artificial outgrowths of the country districts; the country has to provide for the existence of the city. Any program of public works which

may last six months, a year or even two or three years will give only temporary relief to the unemployed. The real solution to the difficulty is to get our people back on the land. The settlers of Quebec, of Ontario and the other provinces of Canada were put on the land. We have some evidence in the Gaspe peninsula of what can be done. Three or four municipalities have been opened up and nearly a thousand people have been placed on the land. This has been done largely through the efforts of Monseigneur Ross, the Bishop of Gaspe, assisted by the provincial government.

I agree with the hon. member for Stanstead (Mr. Hackett) when he says that there is a large overgrowth of population in Montreal which must be provided for. I knew Montreal when it had less than 200,000 people whereas to-day it has a population of over a million. The island of Montreal lacks but 37,000 people to have half the population of the entire province of Quebec. The solution to our problem is not by manufacturing, which is only an artificial means. The primary industry of this country in the past, at the present and in the future has been, is and will be agriculture. Agriculture is the backbone of the country. During the war many were attracted to the city. Common labourers were able to earn $15 per day in the munitions shops and people were attracted by the automobile, by the moving pictures and by the fallacious modern civilization which we now have in the cities. These people must go back to the land. If they do not go back, their sons must.

I see the Postmaster General (Mr. Sauvé) before me. He was a witness, as was I, of the efforts made thirty or forty years ago by that valiant pioneer of civilization, curé Labelle of St. Jerome. This man opened up the district north of Montreal and created thirty, forty or fifty parishes. He came to the assistance of the citizens of Montreal during the winter of 1874. Navigation had failed to bring in the necessary fuel, starvation was at its doors but one day he came into the city at the head of two hundred teams loaded with firewood for the relief of the poor. He was one of the pioneers of Canada and that is the position to which we must go back.

The Prime Minister occupies to-day a very unique position. He is gifted as any other man in this chamber is gifted. At the present time he can exercise an influence which will be overwhelming. When he evolves his great policy to settle our present difficulties I hope he will not spend money just for the sake of spending money; I hope he will not provide only temporary relief for a year or two years hence but will arrive at the correct solution. The pioneers of Ontario, Quebec and the whole of Canada came from the land. The traditions must not be forgotten. Canada is an agricultural country before all else. We have four great industries, and agriculture is the first. That industry must not be overlooked in any scheme evolved. I hope the Prime Minister will not overlook the suggestion made by the hon. member for Stanstead. At the present time there is the incredible number of 45,000 families receiving relief in the city of Montreal. The total number on relief would aggregate probably a quarter of a million, one-fourth the population of one of the most prosperous cities on this continent. But for the winters, Montreal would have long since passed New York. It is now one of the leading cities on this continent. It is a great cosmopolitan city, situated a thousand miles from the sea and inhabited by the flower of both our great races. Things are in such shape that the authorities are desperate and only two or three days ago the citizens arose and by a majority of 53,000 asked for a change. A change for what? They asked for an opportunity to earn their bread, they were seeking a way out of the stagnation in which they find themselves at the present time. I am not blaming one municipal, provincial or dominion government more than the other, it is a question with which all governments must deal. The permanent solution will be found only by placing the people on the land. The Postmaster General could give the committee an idea of how northern Quebec was settled. When Sir Wilfrid Laurier completed the Transcontinental railway he had in view the opening up of northern Ontario and Quebec, that part of the country which is to-day the most promising of all Canada. Mining in northern Ontario is to-day attracting the attention of the world and in this respect Quebec is following in the footsteps of Ontario. We must go back to the land, and it would be an excellent thing for any statesmen or government to bring about understanding and cooperation because we must all stand together. We are passing through a national crisis at the present time, a crisis which calls for our best efforts and we should agree to work together. In all humility I suggest to the Prime Minister that in bringing down this measure he should not overlook the importance of going back to the land. That is the first duty that rests upon the government.

Mr. MACDOUGALL: I do not at this time desire to discuss either rural or urban questions, nor do I desire to discuss in all its ramifications the very serious problem that confronts the fishermen of the maritimes. I do not think that the committee of the house is the proper place in which to do that, but I intend to discuss the whole question in all its bearing when the budget is introduced and when a full dress debate, which will be worthy of the problem, is in progress. There is, however, one question in regard to which I should be glad if the Prime Minister would give me some information. This afternoon we have heard a good deal about the trans-Canada highway and if it is a fair question at the moment—for I do not know whether he has the information—I would ask the Prime Minister the number of miles of highway that were constructed under the trans-Canada highway program. I ask this question for a special reason. In a joint debate that took place between the hon. gentleman who is now premier of Nova Scotia and myself in 1930 that gentleman made the statement, before 7,000 people, that the program would mean merely the construction of six miles of highway in northern Ontario. I desire to get that information in order to find out how many miles of highway throughout Canada have been constructed under that program.

Mr. BENNETT: At the end of the year, as far as I can ascertain, the following mileage had been completed on the trans-Canada highway:

Province	Mileage	Cost
Nova Scotia Miles improved or constructed	59	$ 2,094,384
New Brunswick	65	459,635
Quebec	35	150,366
Ontario	830	7,742,158
Manitoba	45½	655,108
Saskatchewan	17½	67,367
Alberta	145	336,310
British Columbia	160	868,891
Total	1,357	$12,374,219

The abnormal cost in Nova Scotia arises from the inclusion in that case of the elimination of four level crossings, and construction of bridges, surveys, clearing of right of way, improving grade and alignment, crusher operations, surfacing comprise the balance of the expenditure.

Mr. MACKENZIE (Vancouver): How many miles are yet to be built before the project is completed in Canada?

Mr. BENNETT: I have not that information in detail but the hon. gentleman will recall that there are six miles in British Columbia that have to be completed between Canoe river and the west end of the park. This line is fairly complete across Alberta and Saskatchewan into Manitoba and from Manitoba to Kenora, and between Kenora and Fort William the work is being pressed forward rather rapidly; then it strikes north and there is a section incomplete. But from Montreal to North Bay the road is practically completed. From North Bay it is in a fair state of completion, and in the maritimes the roads set aside as trans-Canada highway have been improved to trans-Canada standards at the cost I have indicated. So that practically from Nova Scotia to British Columbia there is a relatively small mileage that is not included in what is called the trans-Canada highway. Part of this information was given to my hon. friend from West Edmonton (Mr. Stewart) the other evening.

Mr. BRADETTE: What distinction will be observed legally in the name of the trans-Canada highway, which will be recognized by the provinces and the federal government? Toronto will have its highway which will be part of the trans-Canada converging at North Bay with the road from Ottawa.

Mr BENNETT: So far as we are concerned, as I endeavoured to explain in 1931, it is the roads that were set aside by the province by order in council as part of the continuous highway from the Atlantic to the Pacific. On page 5 of the report for 1931, issued in 1932, these words appear:

> The expression trans-Canada highways means, in relation to the province, such provincial highways affording a continuous route connecting the province with any other or others of the provinces as may be designated by the province and approved by the dominion.

Mr. DUFF: I wish to congratulate the hon. member for Stanstead (Mr. Hackett) on the excellent address he delivered this afternoon. As the representative of that important constituency in the province of Quebec he will, I am sure, be congratulated by everyone who has heard him or will read his address either in the newspapers or in Hansard to-morrow. Everyone will congratulate him, and thank him for the seriousness with which he approached the subject and the excellent way in which he delivered himself. As I sat here, however, I was wondering whether he would not be accused of delaying the passage of this bill. Perhaps he is a

"fortunate medium" inasmuch as he sits behind the Prime Minister, while I am an unfortunate medium because I sit opposite. In your absence a few days ago, Mr. Chairman, we were told that we were delaying the passage of this measure, and for that reason I was rather surprised when the hon. gentleman spoke that the Prime Minister did not get up and say something to him, as he did to me the day before yesterday. Perhaps the Prime Minister, after giving this matter further consideration, has come to the conclusion that possibly his words the other day were rather hasty when he spoke as he did of members of parliament who have been sent here from different constituencies from the Atlantic to the Pacific to express their views on this and other important matters.

Now, we have been accused of delaying this legislation, but as my hon. friend from Charlevoix-Saguenay (Mr. Casgrain) said the other night, the first delay that was occasioned was not attributable to members on this side of the house but to the genial Minister of Labour, a gentleman who is respected by every man in this parliament irrespective of his politics, a man who was in a courteous manner trying to pilot the bill through the house, giving members of the committee every consideration and all information they asked for in reply to questions they put to him. And now, sir, we have another gentleman delaying this legislation, not one of those sitting on your left, sir, not even sitting behind the Prime Minister, but no less a person than the Prime Minister himself, who accused me and members sitting on this side of delaying this legislation. He is the greatest sinner of all. What did he do? In order to prepare the way for himself yesterday afternoon, he deliberately accused us of delaying the legislation. He practically told me if I did not sit down he would ask the committee to rise and he would not go on.

Mr. MACKENZIE (Vancouver): Why?

Mr. DUFF: I shall tell you in a moment. When six o'clock came every one here was rather happy, and of course after I got through there was not very much trouble; other members were very decent about it. My hon. friend the Prime Minister said, as reported on page 2090.

> In view of the very apparent desire to rediscuss this matter which has been already twice this afternoon set out in its entirety, I move, Mr. Chairman, that the committee rise, report progress and ask leave to sit again this day.

Then he goes on to say:

> We will take supply, agriculture, after eight o'clock.

[Mr. Duff.]

Why was it necessary to take agriculture after eight o'clock? Why did not the Prime Minister, if he was so anxious to get this legislation through, come back to this committee and go on with this bill? Let me tell you the reason. It shows he was not so anxious to get this legislation through, because from eight to nine o'clock my right hon. friend—as he had a perfect right to do of course, but he should not try to make us believe that he is more virtuous, more sincere, more righteous than others—tried to make out in righteous indignation that we were delaying. But consideration of the bill was deferred by him in order that he might speak over the radio to the people of South Oxford. Deliberately, in my opinion—perhaps that word is not parliamentary, so I shall withdraw it—he asked this committee to rise and report progress at six o'clock so that he could speak to the electors of South Oxford from eight o'clock until nine.

An hon. MEMBER: Cheap stuff.

Mr. DUFF: Does my hon. friend want to cheer those remarks? Now since I am on my feet I would like also to refer to another matter. The Prime Minister is a great constitutional lawyer, and he plays politics just as many hours of the day as I do. But in my opinion he would also make a pretty good actor, because in trying to answer my remarks yesterday when I referred to a certain important matter which I felt in the interests of the public should be discussed in this house and particulars given, my right hon. friend instead of giving the information, said this:

> I ask the hon. member for Antigonish-Guysborough and those who cheer his sentiments, do they desire to destroy western agriculture and drive the farmers of that country into bankruptcy? Is that their object? Is that the reason he makes these attacks? Why is it he stands in this house and becomes the mouthpiece of those who make attacks against western agriculture?

Now let me say first that I was never the mouthpiece of anybody, Mackenzie and Mann or anyone else. I remember the right hon. gentleman saying that the present leader of the Senate was the gramophone of Mackenzie and Mann. I was never a gramophone in my life, and with all my faults, and God knows I have many, no one will accuse me of being a hypocrite or a pharisee.

Mr. MACKENZIE (Vancouver): Or a good Samaritan.

Mr. DUFF: Yes, I am a good Samaritan. My right hon. friend went on and tried to

make out that we on this side, and myself in particular, were against the west. What did he say?

> Now are these gentlemen going to raise this cry against the west in its time of peril, its time of difficulty, its time of stress; are they going to appeal to sectional and other prejudice for the purpose of carrying out any such policy?

And again:

> It is little credit to any hon. member to raise that issue in the way in which they have endeavoured to raise it in this case.

Then finally he gets a little softer in his mood, and says:

> All I can say is that the sentiment expressed by some of the members of this house is not the sentiment of the people of the communities from whence they come,—

That is referring, Mr. Chairman, to the very intelligent people who elected me to represent them in this house.

> —for last year not ten, not fifteen, not twenty, but I believe it went up to something between one and two hundred carloads of produce went from eastern Canada to the west to help them in their need.

That last statement is quite true, Mr. Chairman, and I think my constituency and the county which is represented by the hon. member for Queens-Lunenburg (Mr. Ernst) in which I reside, the county of my adoption, of my home, as well as other counties in the maritime provinces, did what they could to help the distress not only in western Canada but also in other parts of this great country. My right hon. friend can write his cheque for a larger amount than I can—where I give my mite I have no objection to my right hon. friend giving the larger amount that he can give—but it does not lie in his mouth to say that I or any other hon. member is against the western provinces. Let me say to my right hon. friend that I am just as much interested in the welfare and prosperity of the west as he is. And, Mr. Chairman, from an economic standpoint I have proved it. Not only in this house, not only in the country, but in connection with manufacturing plants in which I have shares in certain cities I have never failed to demonstrate my belief in the policy which in my opinion is best for the western provinces, the policy of low tariffs and if possible free trade. I have always said that. It is true of course that my right hon. friend in the last general election went up and down the prairies and the west telling the people that he was going to make tariffs fight for them, was going to blast his way into the markets of the world. And what is the result as far as the western provinces are concerned? Look at the money that this country has had to spend for relief in the west as well as in the industrial centres in the maritimes and elsewhere. My hon. friend from Cape Breton South (Mr. Macdonald), who looks very stern, will remember what the right hon. Prime Minister said in his city, that he was going to end unemployment; no dole, no conferences, but he was going to end unemployment. What has been the result in the last three or four years?

Mr. MACDONALD (Cape Breton): He did as much as any man living could do.

Mr. DUFF: That is quite true. But what I am complaining about is that the Prime Minister went up and down this country saying he was going to end unemployment. He did not tell the people of Sydney and Glace Bay that he would do as much as any other man. Oh, no. He was going to be a superman. I will take no second place to the Prime Minister or anyone else in this country as far as my goodwill concerning the western provinces is concerned. Let me go a little further. Of course I do not want to delay the committee. My right hon. friend rather objected to my demand—no I should not use that word—my request—on behalf of some of my constituents that certain relief should be given to them in the form of a small advance of $15,000 to buy fishing gear and equip their boats. I am glad to see in the house this afternoon my good friend the hon. member for Digby-Annapolis (Mr. Short), a gentleman who for years gave of his substance, of his time, of his ability, trying to do something for the fishermen of Nova Scotia and for the town of Canso. My hon. friend knows as well as I do exactly the condition of Canso. If I am an unhappy medium—and I am sorry for it of course in a way—perhaps my good friend the hon. member for Digby-Annapolis would be a happy medium to place before the Prime Minister and the government the needs of the people of Canso as to this $15,000.

The Prime Minister took several stands on the matter I brought before him. First he said the mayor of Canso should not have communicated with me. I think perhaps there are as many Conservatives on the Canso town council as there are Liberals, or perhaps more; if I am not mistaken a very prominent Conservative in Canso is a member of that council and no doubt had something to do with sending this telegram. Then the Prime Minister stated that the mayor of Canso did not really expect to get this money under the relief bill which we are now discussing. Well,

sir, with all due respect to the mayor of Canso, he is living in the eastern part of Nova Scotia. No doubt he saw in the newspapers that the marketing bill had been introduced in this parliament and, without having the bill before him and without realizing that in the bill there is no provision for advancing money to fishermen, farmers or anyone else, the mayor and town council of Canso thought that under this bill they could get relief for their fellow townsmen and the fishermen of that district. My right hon. friend made use of that fact and said the mayor of Canso, in sending the telegram, had asked that the money be granted under that act. As far as I am concerned, and I believe I speak for the mayor, the town council and the fishermen of Canso, I do not care under what legislation this relief is granted; I do not care under what act of parliament or what order in council this small sum of $15,000 is advanced in order to permit the fishermen to buy their gear and equip their boats. As I said yesterday, sir, this government took action in another very important matter, and let me say here that I never criticized the government for having given that guarantee. I only said that there should be no step bairns in our family, that all should be treated alike. If in connection with another matter millions of dollars could be guaranteed I said there was no reason why a small sum like $15,000 should not be guaranteed by the government of this country for the fishermen of Canso. I do not criticize my right hon. friend for having given that other guarantee, although I think he is open to criticism; from the fact that the government do not want to give full information it would seem that there must be something they want to cover up.

In the other case, let me remind the right hon. gentleman, no law was required; the guarantee was given eight months before the act was passed by this house. There was no statute which permitted the guarantee in that case, but even after the act was passed another month or more elapsed, if I remember correctly, before the order in council was passed making it legal. As I said a moment ago I do not object to that; I only say that if this government were willing and anxious to do something for the fishermen of Canso they would not need to wait for this legislation. My right hon. friend said this could not be done in any case because we were delaying this legislation. I say that either under this or some other statute, whether by way of guarantee or by way of relief, this government can do something for the fishermen with regard to this $15,000. This clause now under consideration states that the government may take all such other measures as may be deemed necessary or advisable in order to carry out the provisions of the statute.

This afternoon my right hon. friend comes along and says that this request should be made by the provincial government. Perhaps I am not as familiar with the law as I should be; perhaps I am not as familiar as I should be with the manner in which relief was granted to the municipalities and towns last year and the year before, but if my understanding is correct the federal government paid one-third, the provincial government one-third and the municipality or town one-third of the cost. My right hon. friend says the provincial government should take up this matter. I happen to be the representative of the people of Antigonish and Guysborough in this parliament, but my right hon. friend wants the people to go over my head, because I happen to be an unfortunate medium. I want to say to the Prime Minister, before I write the provincial government to-morrow morning or telegraph them to-night, if I have the money in my pocket—

An hon. MEMBER: Send it collect.

Mr. DUFF: No, I will borrow it from you. I say before I do that I should like to point out to the Prime Minister that in their present financial position, due to the fact that they have had to expend large sums of money for relief and to the further fact that taxes have not been coming in as they should, the town of Canso cannot raise their share of this amount. So I say this is a special occasion; this is a special request, and so far as I am concerned if the Prime Minister wants to take credit for it, or if he wants any member of his cabinet to take credit for it, well and good. All I say is that the mayor of Canso and the town council thought I was the proper person through whom they should make this appeal, and they should not be criticized for thinking so.

My right hon. friend complained again that I should have taken up the matter with the ministry instead of bringing it before parliament. I explained the situation the other day, when I said I only received the telegram two or three hours before this bill came up for discussion. Again I say that I was perfectly justified, as the representative of the counties of Antigonish and Guysborough, in bringing this matter to the attention of the government from my place on the floor of parliament. So, not wishing to delay this committee further, I say to the Prime Minister that he should not ask the provincial govern-

ment to go about this in the ordinary way; he should pass a special order in council or make some special arrangement by which, at the earliest possible moment, either before or after this legislation passes, the government arrange that these fishermen will receive this small sum of $15,000, for which they are willing to give notes and which they expect to be able to pay back in the fall. All they want is to have the Bank of Montreal guaranteed in the meantime so that they may be ready when the season comes along to attend to their work in order to provide for their families and take them off relief.

Mr. YOUNG: In reply to the remarks of the Prime Minister a few moments ago in regard to our idea of improving world trade I might say that the Liberal idea of improving world trade is to sell our surplus products in the world's markets at the highest price the world is willing to pay, while his idea of improving world trade is to sell our products in the world's markets at the lowest price the world is willing to pay. The things we export are paid for by the things we import. When the Prime Minister and his government say, "We will not allow other countries to send goods to Canada except at certain advanced prices" he is simply saying to our people, "We will not allow you to accept the price for your exports that the world is willing to pay; you must sell for a lower price." It is true that the Prime Minister says he is willing to negotiate with other countries in regard to lowering tariff barriers. When he proceeded to increase his tariff barriers he did not wait to negotiate with other countries; he went ahead without consulting them.

Mr. BENNETT: They had already done so; they had prohibitive tariffs.

Mr. YOUNG: No country had gone to the lengths the Prime Minister went. I do not know of any country that amended its customs act to say, "You shall not sell goods in our country unless you are making a profit on them." That is the way the tariff reads now. I do not know of any country that so framed its customs laws as to guarantee the profits of foreign manufacturers, regardless of our own manufacturers. It seems to me that if all the people in Canada were in a position to buy all their requirements in the way of houses, furniture, food, education, entertainment, and the conveniences of civilization, there would be an abundance of employment for everybody, and plenty with which to supply them. The reason our people cannot buy all these things is that those who sell on the export market cannot get sufficient for their exports to enable them to buy the articles they require.

As for the machine age being responsible for unemployment I have only this to say: When one considers the vast need which exists in Canada, in practically every house across the country, for so many modern conveniences and necessities of life, and when you consider that the appetite of man—

Mr. BOUCHARD: And woman.

Mr. YOUNG: Yes, and woman,—for goods of all kinds and descriptions is insatiable, one cannot say that the market is saturated simply because some machinist has come along and made it easier to produce a given article with less labour. When a labour-saving machine is installed to produce a given article at a lower cost the result should be that the machine would make it possible to put that article in the hands of more people. It would result not in less but in greater employment in the industry affected, because owing to its cheaper selling price more people would buy it. But when the advantage of the labour-saving machine is not passed on to the consumer in the form of lower prices, but is appropriated by one individual or one group of individuals to their own selfish use, it then results in less employment in the industry because there is no increased demand for the product. I believe the remedy is to be found not in reducing the use of modern machinery but rather in encouraging it, and seeing that the advantage brought about by modern inventions is passed on to the consumer, in the form of lower prices. It is the duty of the government to take whatever steps are necessary to see that those advantages are passed on. There is not much hope, true, so long as the government believes in high prices.

I have a suggestion to make to the government in regard to its expenditures on relief work. I never was enamoured of nor could I become enthusiastic about an extensive public works policy as a means of relieving unemployment. I have two reasons: in the first place, those public works must of necessity be located in a few places. The unemployment in Canada is so widespread that the employment given by the creation of those works would be too far away from most of the people needing work to help them very much. The second reason is that public works of that description almost invariably saddle us later on with large maintenance costs. They will be a burden on the taxpayers for years to come, and we cannot increase the purchasing power of our people

by increasing their taxation. Rather, we will reduce it. This type of public works is more inclined to increase unemployment than to relieve it.

A suggestion has been made to me which I place before the government for its consideration. It is this: I walk down the streets of this city and I see scores, yes hundreds of houses which ought to be first-class dwelling houses for years to come, and would be first-class if the owners were able to keep them in repair. But because the owners have not the money required for repairs those houses are falling into disrepair. They will soon be uninhabitable. I go into the rural sections of the country and I find hundreds of houses, outbuildings and fences in the same bad condition, all falling to pieces because the owners have not the money to keep them in repair. If we have to tax ourselves for the relief of unemployment would it not be the better part of wisdom to spend the money so raised in such a way that it will be most widely diffused, and will not saddle us with any maintenance cost? Would it not be wise to advance money to people for the improvement of their homes, so that they may make the necessary repairs? Would it not be wise to let the farmers have money to repair their fences, their outbuildings, and make other necessary expenditures, and in that way spread the money over the widest possible area and give employment in the most remote corners of the country as well as in the larger centres of population? By so doing we would avoid the necessity of saddling the government with maintenance costs in later years. I submit that suggestion to the government in all good faith, and in the hope that they will give it consideration.

Mr. BROWN: I listened with a good deal of interest to the eloquent remarks of the hon. member for Stanstead (Mr. Hackett), and to those of the highly-respected member for Bonaventure (Mr. Marcil), both of whom spoke of the return to the land as a solution for our great problems. I wish I could become as enthusiastic about that solution as are these two hon. gentlemen. I realize, as all hon. members must realize, that as a temporary measure many might be put in a position whereby they could earn sustenance. However it is difficult for me to see that the return of large numbers of people to the land, particularly through the use of the compulsory methods which have been described, would meet the problem. It has been suggested that the farmer should go back to the use of primitive methods and that, as in pioneer days, the farm should become a self-contained unit. I am ready to concede that if farmers to-day are content to live as did their pioneer forefathers, perhaps they may continue to live on the land and provide from it the bare necessities of life. But I do not think we could expect nor have we the right to expect that the rural population should be compelled to deny themselves all the privileges, conveniences and comforts enjoyed by the city dwellers. I do not think we have any right to expect that the farmers should be content with less of the good things of life than are enjoyed by people in the cities. I would make the suggestion to the hon. member for Stanstead—and I should not like to make it to the venerable member for Bonaventure—that he is yet a comparatively young man and, as some of the rest of us have done, he might set an example by going back to the land and showing the people how they can live on it and enjoy the comforts and conveniences which he now enjoys in the city. If the hon. member for Stanstead left Montreal, that city would lose a good lawyer, but the country would gain a man of capacity and intelligence, and one who would be able to use his intelligence to show how this problem can be solved.

No, Mr. Chairman, the farm problem is not to be solved in that way. It seems to me there are certain inevitable difficulties under which a farmer must live. Perhaps in the very nature of things he cannot expect all the conveniences enjoyed in the city. But recognizing, as many of us do, that there are certain inevitable and natural handicaps from which the farmer must continue to suffer, would it not seem to be an act of wisdom for the government, instead of raising artificial barriers, instead of increasing by tariffs and other means the artificial obstacles with which we have to contend, to remove these artificial barriers so as to make the natural difficulties less difficult for us to overcome. That is just where those who represent the school of thought to which I belong differ from those who represent the school of thought of the Prime Minister. One reason I could give strong support to many of the measures adopted by the preceding administration was that they did attempt to do at least something, probably not as much as I should like to have seen them do, to make it possible for us to secure the implements of production at a cost lower than that at which it is possible to procure them when they have to be purchased in the face of high tariffs. That at least is doing something to remove the natural handicap under which the farmers labour. Again I invite the hon. member for Stanstead to put his theories into practice and show

us how farmers can earn not merely a bare subsistence on the land but sufficient to put themselves in a position to enjoy what other members of the community enjoy in the way of modern inventions. I had a man say to me, "By spring you will find me the fattest and the raggedest man in the country." He simply meant that on the farm he had plenty to eat but that the prices at which he was able to sell his produce were not sufficient to enable him to clothe himself properly. Another man said to me in a jocular way, "I wish this depression would end. I am tired of eating turkey." It is true that there are exceptional circumstances in the west at the present time but the difficulty in most cases is not that the farmers have not sufficient to eat but that they cannot dispose of their surplus at a price that will enable them to buy clothing and the other necessaries and conveniences that every civilized man has a right to expect. I wish I could see the problem as simple as the hon. member for Stanstead and the hon. member for Bonaventure see it, but it is beset with infinitely greater difficulties than they seem to see.

Mr. LUCHKOVICH: I wish I could see this problem as simple as the hon. member for Stanstead (Mr. Hackett) sees it, or the members mentioned by the hon. member who has just sat down (Mr. Brown), or the hon. member for Weyburn (Mr. Young), who made a remark to which I shall refer a little later.

The hon. member for Stanstead stated that the farmers were dependent upon the cities. That may be so in the east, but it is not so in the west. Cities like Edmonton or Calgary are certainly exceptions to the rule. In Alberta generally, excluding Edmonton and Calgary, the farmers can live without the cities, but certainly the cities, neither Edmonton nor Calgary, and so forth, can live without the farmers of the west. So the hon. member's argument does not hold water so far as Alberta is concerned.

What we are suffering from is a lack of balance between town and country, between the rural and urban parts. I was in Detroit the other day and saw a beautiful Chrysler car marked $495, and you have to pay $1,000 for the same car in any automobile establishment in Ottawa. I felt pretty badly about that because I certainly would like to have such a car for $495.

Mr. MORAND: My hon. friend is surely not serious in suggesting that there is a difference of about $600 for the same car.

Mr. LUCHKOVICH: I certainly am serious. It makes a big difference to me and to any farmers or labourers in Canada.

Mr. MORAND: It might, if it were a fact. Does my hon. friend seriously say that the same car costs $1,000 in Ottawa?

Mr. LUCHKOVICH: Yes. I was offered a car in Detroit for $495, a Chrysler coach. I saw the price marked on it.

What I think is the trouble to-day is the lack of balance between city and country, between the price the farmer gets for his produce and the price he has to pay for the manufactured articles he buys. No one would quarrel with fifty cent wheat if you could buy a suit for $15 or $18 as you could fifteen or twenty years ago. Under such conditions fifty cents would be a very good price for wheat. So I think it is up to any government to-day to try to bring about a better balance between agricultural and manufacturing prices so that the farmer in the west may be able to buy his necessaries far more cheaply then he can to-day.

The hon. member for Weyburn twitted the Prime Minister for his lack of negotiations with foreign countries, and at the time it came to my recollection that Germany, Italy and France shut down on our wheat during the regime of the present leader of the opposition. My hon. friend from Weyburn spoke with great energy of greater international trade and how to bring it about, and suggested that one way would be by negotiation, but certainly the leader of the opposition, when he was Prime Minister, failed to retain the market for our wheat in Germany, Italy and France when those countries shut down on our wheat during his regime. Does the hon. member think that by negotiation to-day we can force Germany or Italy or France to buy our surplus wheat?

Mr. YOUNG: Would you rather try blasting?

Mr. LUCHKOVICH: I do not know just what the hon. member means by blasting, but if he thinks by negotiation he can force Germany, Italy and France to buy our wheat he is sadly mistaken. They refused to buy our wheat at any price, and the people in those countries to-day are compelled to pay $1.25 and $1.50 a bushel when they could certainly buy wheat more cheaply from Canada. Such being the fact the Liberal opposition certainly have turned out to be very poor negotiators.

Mr. YOUNG: Did my hon. friend notice what the French delegate said at the wheat conference the other day?

Mr. LUCHKOVICH: I say that these countries shut down on our wheat during the regime of the present leader of the opposi-

tion, and what are you going to do now? Are you going to send an army over to Germany or Italy or France and at the point of the bayonet and with cannons demand that they buy our grain?

Mr. YOUNG: Who suggested that?

Mr. LUCHKOVICH: I am just asking for information.

Mr. YOUNG: You are the only man who ever thought of that.

Mr. LUCHKOVICH: It is a fact that these markets were closed to us years ago, and there is no use denying that before the farmers of the west who are very seriously concerned about this matter.

The hon. member for Weyburn made one remark with which I agree when he said that the world is an economic unit. There is no doubt in my mind about that, and what should be done to-day I think is that the European house should be set in order. They should form of themselves the united states of Europe, taking in all countries on that continent on a basis of equality. That would preclude tariffs and big armaments. We would like to get a market over there. The prosperity of Europe is our prosperity. But certainly we lost that market four or five years ago, and no effort was made at that time so far as I know to maintain that market for us by negotiation, which the hon. member suggests is such a very valuable way of maintaining and improving markets. Something must be done to get that European market for us. Their prosperity is our prosperity, and unless we can regain that market it is hardly likely that we shall see prosperity in the Canadian west so far as the farmer is concerned.

Mr. McINTOSH: I have listened to this debate all afternoon, and I have been intensely interested in certain parts of it. I have listened to the hon. member who has just sat down (Mr. Luchkovich) give his ideas with regard to international trade. He admits that the world is the ultimate economic and trading unit. If he admits that, then he admits a real case. After that, it is just a matter of getting the required international cooperation and that can be done by international negotiations and not otherwise. To say that in one part of the world the markets are closed and must remain closed indefinitely, to my mind is not stating the case fairly at all. One may want to negotiate with a man in one frame of mind and he may not desire to negotiate with you when in another frame of mind or another mood. It is the same with nations. A few years ago certain nations had a false conception of international trade and international prosperity and they did close down on our wheat. The consequence is that some think that because they did that, that condition must remain forever. But I am not one of those. I believe that with the right party in power, with the right leadership, with the right determination, with the right conviction and with the right desire to build up world trade, this can be done.

Further, I believe that Canada should be the first nation to give a lead in this regard. Canada should set a lead as far as taking action with regard to the pulling down of tariffs and making a start in the restoration of the world trade which we have lost. Until we do that, we are going to have unemployment. Until we do that, we are going to suffer a lack of trade. Until we do that, we are not going to advance financially and industrially. It is a simple matter. The hon. member for Weyburn explained that all we have to do is to exchange our wheat for industrial products. If we show a willingness to take imports for exports, the job can be done. There is no doubt about that at all. If we are not willing to do that, then we will remain inactive. If we try to live within ourselves, our financial and commercial condition will gradually become worse.

Mr. LUCHKOVICH: Did not hon. gentlemen have a chance to do that and did they not fail to take it?

Mr. McINTOSH: Yes, we had a chance and we took advantage of our chance. Our total trade in 1929 was over $2,600,000,000 while to-day it is less than $1,000,000,000.

Mr. LUCHKOVICH: I am referring to the wheat market.

Mr. McINTOSH: And I am answering your question with regard to the wheat market. We did not lose the wheat market by any means.

Mr. MOTHERWELL: Wheat was still selling at $1.20 when we went out of power.

Mr. McINTOSH: Because we lost a little trade as far as our wheat market was concerned is no proof that we lost the world market as it is lost to-day. There is no getting away from the serious effect of this high tariff question. Time and again Canada has tried this policy of higher tariffs, and it has always failed. The only tariff that will work in this country is one that is fair and not prohibitive, a tariff for revenue purposes and one that will be fair to the west, to industrial

Ontario and Quebec and to the maritimes. Without a tariff of that kind we cannot improve conditions in this country. We certainly must recognize the fact that the world is the ultimate trading and economic unit. We have to face that problem and do our best to solve it. If we do that, other nations will be glad to meet us and gradually our trading and financial conditions will improve.

The hon. member for Stanstead (Mr. Hackett) said this afternoon that we have lumps of unemployed humanity in all our large industrial centres. That is an important admission by an hon. member to the right of the Speaker, and an hon. member supporting the government, that we have millions of unemployed, industrially and agriculturally, in Canada.

Some hon. MEMBERS: No.

Mr. McINTOSH: Yes it is. I will admit that the hon. member was dealing largely with Montreal and other large centres, but the fact remains that we have a great number of unemployed in our villages, in our towns, in our cities, and for that matter, on our land. The hon. member stated that in order to give these people gainful employment all we would have to do would be to transport them back to the land, that a settlement policy would permanently solve this problem. That may be a very nice way of looking at the question, but it will not solve the problem. The problem of the men and women on the land is a continuous problem; the problem of the men and women in the cities is a continuous problem, and these problems cannot be solved by any cheap act of transportation. The hon. member stated that for many of those in the towns and cities no opportunities, professional and otherwise, were open and that something had to be done. Later on he said that the yeomanry, the farmers of Canada, were slowly deteriorating. If that is the case and the agricultural population of Canada are going down hill and are slowly deteriorating, if they are not measuring up to the problems of our agricultural and national life, if they are not making progress, then surely there is an argument for the government to act, to do its best to modify its high tariff policy and thereby give to these people the opportunity which they seek.

I was rather surprised to hear the Prime Minister (Mr. Bennett) admit this afternoon that because we are living in a machine age, we shall always have unemployment. I do not believe that statement. We are living in a machine age and if we do not keep up to date with the development of the machine and the production of machinery, if we do not keep up to date with our tariff policies, our financial policies, and our trade policies, if we do not keep those policies sane and progressive, then of course we will have unemployment. But if we measure our national policies in terms of the machine and act accordingly, instead of unemployment we will have employment and instead of starvation, prosperity.

At six o'clock the Speaker resumed the chair and the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVILEGE—MR. NEILL

Mr. A. W. NEILL (Comox-Alberni): I wish to correct an error in the press.

Mr. SPEAKER: If the hon. member wishes to address the house on any subject it would be well for him to wait until private bills are disposed of. That is the order of business now before the house.

Mr. NEILL: Is not a question of privilege always in order?

Mr. SPEAKER: Is the hon. member speaking to a question of privilege?

Mr. NEILL: Yes, and it will not take me more than one minute. The Montreal Daily Star of April 12 quotes me as saying:

> The Prime Minister has made statements which, when he reads them to-morrow in Hansard, he will very much regret.

I did not make that remark at all. I have regrets of my own to worry about without bothering about anybody else's.

PRIVATE BILLS

GERTRUDE ETHEL MOSGROVE ROAST

The house in committee on Bill No. 44, for the relief of Gertrude Ethel Mosgrove Roast.

On section 1—Marriage dissolved.

Mr. NEILL: Don't you think, Mr. Chairman, we ought at least to see the bill? It is not on the file.

The CHAIRMAN (Mr. Hackett): If the hon. gentleman will look at his file he will see that it is letter G of the Senate.

Some hon. MEMBERS: These bills are not on the file.

Mr. LAWSON: Hon. members are looking at House of Commons bills.

Mr. GARLAND (Bow River): These Senate bills do not appear to have been filed. I have not seen them and do not know what they are about. I do not suppose it is very important, but it seems strange that we should transact the business of the house in this way.

Mr. BENNETT: The hon. gentleman is quite right. We cannot proceed with the business unless the bills are printed; that is quite obvious.

The CHAIRMAN (Mr. Hackett): The bills are printed; hon. gentleman will find them on the files.

Mr. HANBURY: Some of the Senate bills are on the file, but these particular bills are not.

Mr. McINTOSH: Therefore we cannot proceed.

Mr. BENNETT: Stand.

Mr. GARLAND (Bow River): The only relief bill on the file is No. 42.

Mr. McINTOSH: And that is no relief.

Mr. VALLANCE: In fairness to the pages who file the bills, I think there was a suggestion from some members that they did not want to be bothered with them. That should be stated in fairness to the boys who file the bills.

Mr. BENNETT: What the hon. gentleman says is correct; the filing of the bills has nothing to do with whether we should proceed with them or not. If they are printed and distributed—and apparently they are, because they are being brought in from the distribution room—that is the end of it. There is no rule with respect to putting them on the files, but there is a rule regarding their distribution. If they have not been distributed, they should not be proceeded with.

Mr. McINTOSH: The distribution system is wrong anyway.

The CHAIRMAN (Mr. Hackett): The bills having now been distributed we will proceed.

Section agreed to.

Section 2 agreed to.

Bill reported, read the third time and passed.

[The Chairman.]

CONSIDERED IN COMMITTEE—THIRD READINGS

Bill No. 45 for the relief of Clara Dingman Freeman—Mr. Bell (St. Antoine).

Bill No. 46, for the relief of Marguerite Pearl Hopper—Mr. Lawson.

Bill No. 47, for the relief of Sadye Harris Rosenberg—Mr. Factor.

Bill No. 48, for the relief of Eva Brabant Paradis—Mr. Bell (St. Antoine).

Bill No. 49, for the relief of Williamina Muir Briggs—Mr. Bell (St. Antoine).

SECOND READING

Bill No. 43 to incorporate Personal Finance Corporation—Mr. Hackett.

UNEMPLOYMENT AND FARM RELIEF

BILL IN TERMS GENERALLY OF RELIEF ACT, 1933, WITH PROVISION RESPECTING DELAYED RELIEF ACCOUNTS

The house resumed consideration in committee of Bill No. 42 respecting relief measures—Mr. Gordon—Mr. Willis in the chair.

Mr. McINTOSH: I shall not take long to conclude my remarks. When the committee rose at six o'clock I had touched on two or three points, one of them the question of international trade. I was rather surprised this afternoon when the hon. member for Vegreville (Mr. Luchkovich) took a stand identical with that which the government has taken for the last four years on this important question; presumably the hon. gentleman feels it his duty to support the government of the day in its prohibitive tariff policy and is inclined to think that there is no longer an external market, that it has vanished, that we ought to forget about it and apply ourselves assiduously to the development of the home market and the home market alone. That is neolithic nationalism, and he supports it. That is the type of narrow nationalism that in the end will ruin Canada if persisted in. I dissociate myself from that view. I care not who puts it forth, whether it be from the opposite side of the house or from some of the Tories to our left.

In concluding my remarks on that question may I say that I believe it the duty of every loyal citizen of Canada to persist in trying to get an opportunity for Canada once more to trade with the whole world; not with part of it, a half, or a quarter, or any other fraction of it, but the entire trading world. Let us measure ourselves up to that great international possibility and problem, and if we mean business

and are in earnest we can certainly make progress. All this idle talk about dumping amounts to nothing, it is just an argument to uphold prohibitive protection and have our Canadian people endure further sacrifices.

Secondly, I dealt in a brief way with the question brought before the house by the hon. member for Stanstead, that is the transportation of great masses of unemployed from the industrial centres to the hinterland of this dominion. I said that problem is not as easy as it looks, that it is a continuous, never-ending problem, not simply a problem of cheap transportation. I want to follow up the observations made by the hon. member for Stanstead and bring before the committee a problem pertaining to the constituency of North Battleford.

Before doing that may I just say a word on a point of view presented to the committee by the Prime Minister. I got the idea from his remarks that he thinks that because we are living in the machine age we have got to bow down before this problem of unemployment and accept it. I differ entirely from that conception of national life. I say that unemployment is something that we can overcome if we take the initiative and adopt rational trade and financial policies in Canada. I would not say that we must put an embargo on inventive genius, on initiative; briefly, that we must fight the machine. We have got to cooperate with the machine. We are living in a machine age, and unless our financial and trade policies go hand in hand with machine production we are not going to get very far. Our trade and financial policies will have to be progressive, they will have to be sound, they will have to be advanced. If we initiate policies of that kind, I believe that our problem of unemployment will gradually and surely disappear.

My last remarks will deal with a problem pertaining to one of the new and developing parts of the Canadian northwest. That problem is in reality a railway problem. I have brought it before the house on former occasions and will bring it before the house again and again until it is solved. May I say I have listened to this debate and I have heard hon. members say that we ought to have a policy of reforestation. That is all right, we need that. There is nothing wrong with reforestation activities, whether in the form of relief or of an ordinary government undertaking. Then it is said that we must have highways, we must have an all-Canadian highway from ocean to ocean to open up Canada. I have no fault to find with that policy, and I have no great fault to find with the government for the support it has given to a national highway during the last four dismal years. We have also had statements made with regard to a new public works program. I understand that program will be brought down later. Further we have had put before us the relief work that is going on in our national parks under the Department of National Defence and the Department of the Interior. And we have had the question of land settlement and the development of natural resources, the seeking for oil and gas and gold and the building of our national prosperity.

May I say, Mr. Chairman, that the problem with which I should like to deal for a few moments is associated with the problem mentioned by the hon. member for Stanstead. After we get the people on the land; after we place them on the soil in undeveloped areas where there are no railway facilities, then another problem arises. That problem is to give railway accommodation to those settlers on the land, many of whom are on relief. In the area to which I want to refer for a moment we have a population of approximately ten thousand people located in the upper end of northwestern Saskatchewan, approximately one hundred miles northwest of North Battleford, on the way to Edmonton, and northwest to the Pacific ocean. This population is confined largely to townships 57, 58, 59, 60, 61 and 62 and to ranges 19, 20, 21, 22, 23, 24, 25 and 26. Some statistical information was gathered and forwarded to me with regard to that area. In it there are 96,320 poultry, 3,302 horses, 7,666 cattle, 5,145 swine, a population ranging from eight thousand to ten thousand, 19,360 acres of land under cultivation and 382,500 acres available for cultivation. In 1931 there were 345 settlers who went into that district; in 1932 there were 134 and in 1933 between 50 and 100. Some of these settlers are on relief, but they are out there on the land to grapple for themselves with the problem of making a living. In my opinion, in order to enable these settlers to get off relief, it would be a very wise move on the part of the government to take a forward step and provide them with the railway accommodation they need so badly.

May I say to the Prime Minister that in this area we have seventy miles of right of way graded ready for the steel. Surely it would not take very much money to put steel on this seventy miles of grading in order to help these people who are doing their best

to open up that new part of the country, to cooperate with the government by keeping off relief and to carve out homes for themselves in this new section of the province. Many of these people, I may say, came from the dried out areas of southern Saskatchewan, Manitoba and Alberta. They came north to a wooded, mixed farming area possessing great possibilities for farmers, to make a living for themselves and those who are dear to them.

I have brought this matter to the attention of the house on other occasions, and I have much pleasure in bringing it before the government again in the hope that if the government intend to carry on a relief program this summer they might consider as part of that program the laying of steel on the seventy miles of grading in order to connect that part of the country with North Battleford and Edmonton. In addition there are about forty or fifty miles of that entire line remaining ungraded. If the steel could be laid for the seventy miles already graded and if the other forty or fifty miles could be graded I am satisfied that such a relief project would be very popular among the farmers and business men of that part of the province, and I am sure the government would get due consideration for whatever action it took.

I do not want to make this part of my observations in any way political. I have taken up this matter with the Minister of Railways, who has intimated that a statement will be made in the special railway committee and that he will make a statement in the house later on, but I did not feel that I should let pass this opportunity to bring the matter to the attention of the committee once more, since other questions of much less importance have been brought before the committee for the consideration of hon. members.

It seems difficult to get any exact information as to the intentions of the government. I have interrogated the Minister of Railways on more than one occasion, without result. I do not say that he does not want to give me the information; perhaps it is impossible for him to secure it, but it is easy to understand the point of view of these people living so far from any railway accommodation. They want to know whether anything will be done this year, and the only way they can find out is for the government to state its intentions with regard to laying steel on this seventy miles of grade and with regard to the grading of the forty or fifty miles remaining. These people are from eighteen to seventy miles from a railway; those in the north are anywhere from thirty to seventy miles from a railway. They must bring in and ship out all their goods by truck, and they feel that this adds to the cost of living. They are satisfied that there is plenty of business in that area, taking into consideration what they buy and what they sell, to pay for a branch line railway, and I believe they are right. I believe the potential business in that area is sufficient to pay for the line, so that the citizens of Canada will not have to pay a cent for the railway accommodation sought. I believe the development of the district will be ample to repay to the exchequer of Canada every dollar expended on the completion of this line.

I think that is all I have to say for the present, Mr. Chairman, except for one other point. Not only is it difficult to get information from the government; it seems impossible to get information even when one takes up the matter with the officials of the Canadian National. I took up this matter with the president of the Canadian National Railways, Mr. S. J. Hungerford, to whom I addressed three questions. The first was as follows:

> There are seventy miles of Canadian National grade ready for steel from St. Walburg north. Will there be anything done in the way of putting steel on this grade in 1933? That is a question that should be answered one way or the other without delay.

How was that for a straight question? I think it was as plain and as straightforward as it could be. Now, I put another question, and my second question was this:

> There is a grading of forty or fifty miles to be done on this same road in order to complete the grade to Edmonton. Will there be anything done on this grade this year? That is another question that concerns thousands of settlers in that area of the province —men and women who are fighting anew for a chance to live, many without relief.

That is question No. 2 which I put to Mr. Hungerford. Surely that is a straightforward and pointed question which should have been answered. Then, question No. 3, and the last one which I put to Mr. Hungerford, was as follows:

> On the Spruce Lake-Frenchman's Butte division of the Canadian National Railways farther south there is a stretch of road between Frenchman's Butte and Elk Point in Alberta not yet graded. Will there be anything done in the way of grading or construction in 1934?

Surely the third question is as pointed and as direct as were the other two.

Now then, how did President Hungerford answer these three direct and non-controversial questions? How did he answer these three questions pertaining to the development of a large area of the North Battleford

federal constituency, three questions concerning the welfare of ten thousand people, three questions affecting the families of thousands of settlers who came from the southern part of the province or from other areas in Alberta and Manitoba to carve out a living for themselves in that northern area of northwestern Canada? Here is the way he answered. I might say I took up the same three questions with Mr. Fullerton, and the answer I received from him was about the same as the information contained in the reply from President Hungerford. President Hungerford's reply dated March 28, 1934, was simply this:

Dear Mr. McIntosh:

This will acknowledge receipt of your letter of March 23rd with regard to branch line construction work in western Canada.

I understand that a similar communication was addressed to the chairman of the trustees and that he has sent you an answer to the inquiry.

Yours faithfully,
S. J. Hungerford,
President.

Well, he sent me a reply, but there is no information in it. Consequently I say it is no reply at all. So far as information is concerned, it was practically a negative reply. And so, without making the matter controversial I thought it was my duty as a member for that riding, to bring once more before the attention of the Minister of Railways and Canals, once more before the attention of the Prime Minister of Canada and once more before the attention of the government of the country, the problem of railway development in that particular part of Saskatchewan. This matter has been hanging fire for four years, and nothing has been done. The grade is there,—at least, it ought to be there, although I understand it is gradually disappearing. The ties are there, and I suggest it would be an easy matter to get at least some secondhand steel to put on this seventy miles of road in order to facilitate the bringing into and sending out of goods from that splendid stretch of country known as "The Northland."

With these remarks, then, I shall say no more but will ask the Prime Minister to give every possible consideration to what I might term this miniature railway problem of northwestern Saskatchewan. If he can make it a part of the relief program which the government intends to bring down during the coming summer, I believe such action would redound not only to the welfare of the government but also to the good name of all concerned, and to the prosperity and happiness of these ten thousand toiling people.

Some hon. MEMBERS: Question.

The CHAIRMAN (Mr. Willis): Does the section carry?

Mr. RALSTON: I should like to say one or two words to the Prime Minister about a very limited portion of section 3 in the bill which now becomes section 4. Subsection (a) is as follows:

Provide for special relief, works and undertakings under control and direction of the Department of National Defence and the Department of the Interior.

This afternoon the hon. member for Gloucester was speaking about the fishing industry, and I did not get clearly in my mind whether the Prime Minister contemplated making any provision under this section for small works in various communities around the coast. The wording of the subsection is "provide for special relief." It would seem to be not for special relief works, but for special relief, and to provide "works and undertakings under control and direction of the Department of National Defence and the Department of the Interior."

The point about which I am concerned is this: I understand that there is a very limited vote for public works. When the estimates for the Department of Public Works were before the committee I brought the matter to the attention of the minister of that department, and he thought that out of the general vote there might be some opportunity to make small expenditures for works around the coast such as boat landings, breakwaters and works of that type. There was a sort of intimation, at least I gathered the impression, that out of the relief votes there would be something for facilities of this kind. I am disappointed to find that what is now section 4 apparently eliminates that possibility. I concur in the view expressed this afternoon by an hon. member who spoke as to the desirability of decentralizing rather than centralizing this matter of relief work. I take it from what the Prime Minister has said that the public works which are to be included in the program to be brought down later will be public works of considerable magnitude in certain centres. I feel that there would be a great opportunity to provide employment and relief in isolated communities by the erection of small works to provide facilities for fishermen. This afternoon an hon. member on this side spoke about improving houses. I am not dealing particularly with that suggestion, but I should like to ask the Prime Minister whether he does not think it desirable to introduce into this section some provision under which for special relief purposes small works in the nature of

breakwaters, boat landings, wharves, boat shelters and so on could be undertaken.

I am thinking particularly of the fishing communities. If I may, I should like to give an instance of what I mean. Only this afternoon I signed a letter addressed to the Minister of Public Works asking him to consider recommending a very small work, something which would not involve much money but which would provide cooperation with the enterprise of fishermen in the particular section to which I referred. That is a case, Mr. Prime Minister, if I may address you through the chairman, where the lobster fishermen today have to drag their traps down the beach to low water mark and wait until the tide comes in before they can put the traps into their boats. Coming back in with either freight, fish or mail, a boat of any size has to send a small boat ashore and drag it up on the beach fifteen, twenty or thirty feet. The coast is not protected; seaweed is entirely gone from it, which makes it open to storms. For that reason some protection is needed. This facility may cost a couple of thousands of dollars, and is in a community where employment is very much needed. It is in a community the people of which have tried to work out their own salvation. There are ten boats there now, and I believe two or three more are being built. Then, there are other places along the shore where the same kind of work might be done.

I am not asking the Prime Minister to construct works which are not needed, but I am asking him, if he can see his way clear, to combine relief with provisions for facilities for those enterprising fishermen, whereby they will be allowed to help themselves and avoid being on the dole. I have called the Prime Minister's attention to this particular section, because I think it might be changed so as to include this type of work.

Then, further, only this afternoon I spoke to the Minister of Marine to ascertain the respective jurisdictions as between him and the Minister of Public Works. I believe that wharves, breakwaters and landing places of this type are constructed by the Minister of Public Works, but are under the control and direction of the Minister of Marine.

Mr. BENNETT: After they are finished.

Mr. RALSTON: Therefore the words "control and direction" found in section 4 (a) would apply, if the Prime Minister could see fit to insert the words "Department of Marine" or "Department of Fisheries."

[Mr. Ralston.]

Mr. BENNETT: The hon. gentleman I am sure has a very clear understanding of the difficulties of expanding this measure in the way he indicates, for I do not know how many hundreds of places would claim to be treated exactly as he has indicated that we should treat a given place at an expenditure of $2,000. The hon. gentleman will recall that last year it was thought by hon. gentlemen opposite that I should state to the committee that we would not use this relief measure for public works, it being thought that we might improperly use relief moneys in that sense.

I suppose the hon. gentleman realizes that the Department of the Interior comes into the matter because of the fact that it has control of the national parks, and with respect to the expenditures by the National Defence department they are for works that have some remote or near relation to that department in connection with airways and matters of the kind. It was thought that it was very desirable to have this work undertaken when the opportunity offered. Of course, both these departments have organizations for dealing with these particular works, as perhaps the hon. gentleman knows. He certainly knows with respect to one department, and he also knows that the Department of the Interior does carry on parks works every year which necessitates this very class of work being done.

My mind not long since was travelling apparently along the same lines as that of the hon. gentleman. I thought possibly a scheme of general repairs and painting might offer employment to the unemployed in communities which would not otherwise be affected, but the Minister of Public Works had already anticipated that last year in connection with repairs for various public undertakings, and he has also some provision for this year. I think it will be found as we proceed that there is a provision in this statute that is broad enough to permit this to be done. I want to put this to the hon. gentleman, who I feel sure will see our difficulty. For the federal government to engage in constructing all the little—if I might use that word—undertakings that would be sought to be constructed would be an almost impossible position. I can tell the hon. gentleman I know something of that from dire experience. But whatever can be done to remedy the difficulties along the coast to which he refers I think will be done, and rather than expand this bill, when the measure for dealing with public works and under-

takings is being considered I shall try to add to it an appropriation that might be useful for effecting the objects to which reference has been made.

Mr. RALSTON: I appreciate the assurance of the Prime Minister and the way in which he has received my suggestion. He will remember that the first year there was a certain number of projects under the relief vote, and I do not think he will find that much difficulty was experienced with regard to undue pressure. There was a good deal of proper discrimination shown in connection with these projects and I do not think the department was altogether flooded with applications of that kind.

Mr. BENNETT: I think there is a list of them for the second year, 1931.

Mr. RALSTON: I believe the Prime Minister will find that while there may have been quite a number of such projects the amount in dollars was comparatively small compared with some of the large votes that are being made. I know that in the endeavour the Prime Minister is going to make in regard to the Public Works vote he appreciates the fact that it is desirable to help people help themselves, and that is what this proposal does.

Mr. BENNETT: About $2,500,000 was the sum involved in 1931.

Mr. RALSTON: For all of Canada?

Mr. BENNETT: For public works, yes.

Mr. RALSTON: I think that is very moderate.

Mr. DUFF: I regret that I cannot agree with the hon. member for Shelburne-Yarmouth. It is quite true as he says that under the relief measure two or three years ago certain of the relief moneys were spent for public works, for repairs to breakwaters and wharves and for new ventures, and my information is that with regard to these expenditures in Nova Scotia that method was very unsatisfactory. We do not want to lose control altogether in this parliament of the voting of public moneys, and if it is the intention of the government to spend moneys for wharves or breakwaters or for other public purposes in Nova Scotia or any other part of Canada, in my opinion the amounts required should be specifically set out in the supplementary estimates, or if the Prime Minister and the government think better, a special bill could be brought in voting a lump sum of money, and attached to the bill there should be a schedule giving the places where the money was to be spent, and the amounts. I think I voice the sentiments of the people of Canada generally as well as my own when I say that I do not like this idea which has prevailed in the past of spending money under the Relief Act without parliament or the public knowing anything about it. While I agree with the hon. member for Shelburne-Yarmouth that there are a great many places where the expenditure of this money would be advisable in the interests of the country in order to encourage fishermen and others to prosecute their calling, I think it should be done in an orderly and proper manner. Any measures with respect to peace, order and good government should be passed by this parliament and not by the executive after parliament rises, and further, under this relief measure money should not be spent as it has been in the past by the Minister of Public Works.

Section agreed to.

On section 5—4 (now section 5)—Payments out of the consolidated revenue fund.

Mr. MACKENZIE (Vancouver): I think, Mr. Chairman, you have before you an amendment to this section. I gave notice of it this afternoon—that section 5 be amended by inserting the words, "and appropriated by parliament" after the word "necessary" in line 16. If hon. members will look at the present section, the old section 4 of the bill as we have it before us, they will see that it reads:

> The governor in council may pay out of the consolidated revenue fund such moneys as may be necessary for all or any of the purposes of this act.

The corresponding section in the act of last year reads as follows:

> The governor in council may pay out of the consolidated revenue fund such moneys as may be necessary for all or any of the purposes of this act, but the amount paid for direct relief for the fiscal year ending the 31st day of March, 1934, shall not exceed the sum of twenty million dollars.

In other words, Mr. Chairman, the limitation in regard to the amount to be spent for relief has been eliminated. This is the section that gives the governor in council blank cheque powers in regard to expenditures. The house will recall, that ever since the first bill was brought down by the present administration in 1930 we on this side took objection to giving the administration powers for the uncontrolled expenditure of public money. The committee will recall that in 1930, at the short session, we passed an appropriation of $20,000,000, and in the 1931 legislation for the first time two new features were introduced

into the relief legislation: first the provision relating to peace, order and good government, to which I shall refer in a few moments, and secondly the blank cheque feature. At that time I well recall, Mr. Chairman, that the hon. member for Quebec East, the former Minister of Justice (Mr. Lapointe) took exception on high ground to this parliament abdicating its control over expenditure.

May I say that of all the relief bills of 1930, 1931, 1932, 1933 and 1934, this bill of 1934 gives to the administration more extensive powers than any of the previous four. In order to keep the record straight may I once again place upon the pages of Hansard a quotation from a high constitutional authority on the power of parliament and its proper control over expenditures. This authority was quoted frequently by the Prime Minister when he was leader of the opposition. I quote from page 159 of The Procedure of the House of Commons by Redlich, as follows:

But there is something more to say. The fundamental principle just referred to secures only one of the great functions of parliament with regard to money matters. Soon after the great change made at the end of the seventeenth century, political experience showed that a second principle must be established before the foundations of parliamentary government could be regarded as secure. It was necessary to gain for the commons full and unrestricted control over the destination of the money spent, to enable parliament to check its application and to see that expenditure corresponded to the grants made. The working out of this principle led by degrees to the present financial apparatus of the House of Commons. The form of a bill of supply and the division or parliamentary business between the two money committees of the whole house had long been in existence. But from 1688 onwards the development of law and practice in finance procedure took a new turn: The old framework was retained, but a new spirit was breathed into all the forms of financial management, especially those relating to the expenditure of the state, and the administration of the moneys placed at the disposal of the government. The complete realization of the idea of parliamentary control reacted upon the whole organization of financial administration, just as the vast extension of the latter determined the way in which the great past of modern parliamentary government—direct parliamentary control over the whole of the national finances—reached its present shape. The result of the whole process has been to establish in actual fact the vital principle of modern parliamentary government—that of the full sovereignty of the nation's representatives in disposing of the financial burdens borne by their constituents.

Mr. MACDOUGALL: Is there anything in the constitutional practice evolved during the years in the parliament of Great Britain or of any of the British nations which lays it down that the majority of the elected representatives of a free people are not capable of delegating to the executive the power over taxation and expenditure?

Mr. MACKENZIE (Vancouver): I appreciate fully the suggestion contained in the interruption of the hon. member for Inverness (Mr. Macdougall), but may I say to him that in the whole history of the development of British and Canadian parliamentary institutions, the essential feature of the growing power of democracy has been the greater power exercised through control by the peoples' members over finance and expenditures. In order to illustrate my point further—

Mr. McINTOSH: The people must rule.

Mr. MACKENZIE (Vancouver): They used to. I desire to quote from another great authority. Colonel A. J. V. Durell in his book entitled The Principles and Practice of the System of Control over Parliamentary Grants states on page 2:

The bedrock on which the English system if built—

The English system is the British and Canadian systems.

—is the principle of the maintenance by parliament of control over the grants which it makes.

The following is to be found on page 3—

Mr. MACDOUGALL: But not by the minority of parliament.

Mr. MACKENZIE (Vancouver): By all the members of parliament provided they are properly carrying out the functions which they are here to carry out and not abrogating to any executive council, without any restraint or control, full and unrestrained powers over the expenditures of the country.

Mr. McINTOSH: Not partyism.

Mr. MACKENZIE (Vancouver): The author states on page 3:

The most ancient, as well as the most valued, prerogative of the House of Commons is the right of supreme control over taxation, to which the right to control issues is a natural corollary. The prohibition of raising taxes without parliamentary authority would be nugatory if the proceeds, even of legal taxes, could be expended at the will of the sovereign. The right, therefore, of appropriation was a logical consequence of the right of levying supplies. "The chain of historical evidence undeniably proves that a previous and stringent appropriation, often minute and specific, has formed an essential part of the British constitution." Though the practice of appropriat-

ing supplies, in a general sense, is of early origin, that of appropriating them to the specific purposes for which they were granted did not become an established usage until the revolution, when the principle that "the grant of supply, and the control of public expenditure in conformity therewith, belongs inalienably to parliament, and preeminently to the House of Commons" was formally incorporated amongst the maxims of the constitution.

I have just two more brief quotations to make and I shall have finished with my authorities. The next is from the same author and reads:

The power of appropriation drew with it the necessity for estimates being regularly laid before the House of Commons, and by exposing the management of the public revenues, has given the house not only a real and effective control over an essential branch of the executive administration, but in some measures made parliament a partaker in it. Appropriation alone is, however, of little avail if no provision is made for securing compliance with it. The right of appropriation must be accompanied by the right of parliament to satisfy itself as to the expenditure of the money on the services for which it has been voted.

The last quotation from page 9 is as follows:

The supreme control of the Commons over public grants, as already mentioned, necessarily demands the complete right of control over the manner in which those grants are spent. This second right must be inseparable from the first if the control over the grants is to be effective; but it is a right which was not claimed nor enforced by the House of Commons until long after the right of control over supply had been established.

So much for the old section 4, new section 5, which constitutes the worst feature of the bill, next to the section upon which the committee voted this afternoon. While I do not intend to make any argument upon that section, this being the same debate I am entitled to refer to the vote. The amendment moved by the Prime Minister is as follows:

That section 2 of the bill be amended by striking out subparagraph (b) and by inserting in the said bill as section 3 thereof the following:

"3. In addition to the powers conferred under the provisions of any statute or law the governor in council may, when parliament is not in session take all such measures as in his discretion may be deemed necessary or advisable to maintain, within the competence of parliament, peace, order and good government throughout Canada; and at all times to take all such measures as in his discretion may be deemed necessary or advisable to protect and maintain the credit and financial position of the dominion or any province thereof."

May I remind this house that in 1932 I moved the following amendment:

1. That this house has been from the commencement of the session and continues to be ready and willing to consider and vote without delay any money or grant, submitted and asked for by the government for relieving distress and providing employment throughout Canada.

2. That this house cannot surrender the rights of the people of Canada, through their representatives in parliament, to maintain direct control over matters of taxation and expenditure, nor vest in the governor in council or in any other body absolute and despotic powers under the guise of dealing with peace, order and good government, particularly while parliament is in session.

My hon. friends to my left voted in condemnation of the usurpation of parliamentary authority by this administration. The following gentlemen voted in favour of my amendment: Messrs. Gardiner, Garland (Bow River), Heaps, MacInnis, Mitchell, Speakman and Spencer.

I desire to congratulate the Prime Minister upon the new allies he received this afternoon in the policies he has adopted and the powers he has assumed with regard to the functions to be performed under peace, order and good government. Let me tell my hon. friends to my left what they voted for this afternoon. From time to time they have introduced into this parliament a resolution for the repeal of section 98 of the criminal code. Should the Prime Minister, during the course of his duties next year, see fit to add to the powers which he is now given under section 98 of the criminal code, with the support of the C.C.F. party in this house he can go the extreme limit in carrying out these powers, because those gentlemen all voted for him this afternoon.

Let me say this to my right hon. friend. Hon. gentlemen may smile, but they repudiated this afternoon everything they have stood for in the last four years. Let me put this to the Prime Minister: We trust there will not be any strike or labour disturbance in Canada in the next few months, but supposing such a thing happened; well, the Prime Minister under the section passed this afternoon might choose in his high office to take the extraordinary powers given him, and he can say that he does so with the support of the C.C.F., because he can point to the fact that the C.C.F. members who voted had given him its support one hundred per cent. Those hon. gentlemen cannot therefore criticize or condemn any action the right hon. gentleman may take in that regard. Suppose there is a dispute in regard to wages: the Prime Minister can take certain drastic powers under this section dealing with peace, order and good government, and he has the support not only of his own followers but of those gentlemen who call themselves the C.C.F., and who by

their vote this afternoon have endorsed the right hon. gentleman. They are supposed to represent labour, but they have absolutely reversed and repudiated their position of a few years ago, and given to the executive council of the nation complete and unrestrained powers to go beyond parliamentary authority in dealing with the situation for the next year. Personally, I am proud, prouder than ever to-day, to belong to the great minority in this parliament. I do not want to use the language of exaggeration, but I believe that Canada to-day is, with respect to her liberties, like Rachael weeping for her children because they are not; and the only ones who stood up this afternoon, this gallant minority, in defence of liberty in this land and in parliament were the members of the Liberal party.

I commiserate with Canada upon this new alliance. Here we have a would-be dictatorship of the proletariat in the corner becoming allied with the dictatorship of autocracy and reaction represented by the government. But so far as we are concerned we condemn this measure not only because of its iniquitous provisions, the clause dealing with peace, order and good government, but because of the unlimited, unrestrained powers given to the administration, in which they are supported by the socialists of the house. We condemn the measure because of its extreme features. Let me tell the government something. I speak here to-night with a humble voice on behalf of the liberties of Canada, and I say that the battle for personal liberty, for political liberty and for constitutional liberty will have to be fought once again in Canada. My right hon. friend may find it easy to take a light hold of these powers of autocracy, but some day very soon the people will demand that parliament once again resume control of the powers that are being relinquished in regard to taxation, expenditures and finance.

Mr. MacINNIS: I rather think my dramatic friend from Vancouver Centre (Mr. Mackenzie) spoke a little out of turn. When he referred to Rachael weeping for her children, I wondered whether he was thinking of Pattullo and his peace, order and good government legislation in British Columbia. The bill there may not be exactly the same sort of bill as this one, but as regards the assumption of authority it goes this bill fifty per cent better.

Let me make quite clear what our action this afternoon amounts to. During the last week, or possibly the last ten days, the official opposition, led by their right hon. leader, have been drawing attention to the words in the bill, in section 2:

Notwithstanding the provisions of any statute or law the governor in council may—

The Prime Minister a few days ago said that he felt there was some merit in the opposition of the Liberal party in objecting to that sweeping word "notwithstanding" and that he would take steps to modify it, and for that purpose he brought in the amendment voted on to-day. Surely when we have a bill before the house and, by some modification of it, the government can improve it we are entitled to vote for the amendment. My hon. friend objects to this, however. He wants to make the bill as bad as possible so that he will have something to speak about. Let me tell him this: We are satisfied that the bill will pass anyway, and since it will pass in any event we want it to be as satisfactory as possible. That is the difference between ourselves and the Liberal opposition. When the bill comes before the house for the final vote the hon. gentleman will find at least one socialist member in this house voting against it.

What has my hon. friend's party done in British Columbia? The hon. gentleman worked hard for that party during the election—mighty hard indeed. He was in British Columbia during the Easter recess and I did not hear him say anything in opposition to the powers assumed by the British Columbia government. Let us see what powers are given by the Special Powers Act. Section 2 provides:

To the full extent to which the powers of the legislature extend thereto, and notwithstanding the provisions of any public or private act of the legislature, the lieutenant-governor in council shall have power to do and to authorize within the province such acts and things and to make and promulgate from time to time such ordinances as he may by reason or in anticipation—

He is not obliged to wait for something to happen; he can anticipate it.

—of any condition, or for the purpose of any matter referred to in the preamble or in this section, consider necessary or advisable in relation to the matters coming within the classes of subjects next hereinafter enumerated, that is to say:

Now let us see what they can do—and considering the past history of the Liberal party, this is rather dangerous legislation. When we consider how that party dealt with Beauharnois, this legislation is something which the people of British Columbia may well view

with alarm. These are some of the powers they have taken:

(1) The reservation, preservation, management, development, sale, and disposition of the natural resources of the province,—

Just imagine leaving the natural resources of the province in the custody of the Liberal party.

—including, without limiting the generality of the foregoing, all lands, forests, waters, oil, natural gas—

Some hon. MEMBERS: Oh, oh!

Mr. MacINNIS: Well, my hon. friend from Vancouver Centre has a monopoly of at least a part of that.

—mines, minerals, and royalties belonging to the province.

Could anything be more sweeping than that? Yet my hon. friend has not spoken a word in protest against it, though he was in British Columbia and could have done so. And he could have done so in this house. But no; what he condemns in the group in this corner here is a very good thing in British Columbia. But not only that; my hon. friend from Vancouver-Burrard (Mr. Hanbury) wanted to go further. He wanted the Minister of Labour to adopt the principle that, when the lumber workers, for example, did not accept the conditions laid down by that government, they should be starved into submission so that they would have to go to work. I said the other day that I was surprised that he should advocate such a thing. In looking over the 1931 Hansard I see that he was going to bring about prosperity by reducing wages all around. Well, I should not have been surprised.

Mr. MACKENZIE (Vancouver): Is the hon. gentleman referring to me?

Mr. MacINNIS: No, no. I was referring to the hon. member for Vancouver-Burrard. You have not got that far yet.

Before this bill is finally passed we shall have another word, but as we know it is going to pass anyway—

Some hon. MEMBERS: Oh, oh.

Mr. MacINNIS: —we want to make it as good a bill as possible. When the bill comes up for its final vote I, at least, will be found voting against it.

Mr. LUCHKOVICH: I have often wondered why it is that some of our hon. friends to the right, when they are in a tight corner, generally call us Tories. Even a rat will fight, when it is cornered, but the hon. members to the right of us will not fight nor will they answer argument with legitimate argument. I have had the long finger of scorn pointed at me by both the hon. member for North Battleford (Mr. McIntosh) and the hon. member for Vancouver Centre (Mr. Mackenzie), and instead of answering by argument our very valid argument in regard to negotiations with Germany, France and Italy, in both cases they have referred to us as Tories.

Mr. GUTHRIE: Hear, hear.

Mr. McINTOSH: You have no argument to answer.

Mr. LUCHKOVICH: Well, for the benefit of the hon. member for North Battleford may I point out that in 1930 every Conservative in my district voted for the Liberal party, which may or may not be a compliment to the Liberal party. My opponent in that election wrote a public letter in which he thanked all the Conservatives in the Vegreville district for voting for the Liberal party—

Mr. McINTOSH: But they will all support you in the next election.

Mr. LUCHKOVICH: —which may mean some relationship between the two older parties for all I know. Now the hon. members for Vancouver Centre and North Battleford drew a red herring across the path of the argument submitted by myself. They trot out the old constitutional question when the people ask for bread and work. Both these hon. members have referred on other occasions to international trade, but they have not answered my argument to-day; they have proposed no method by which that international trade is going to be brought back to Canada. If the Liberal party happens to be fortunate enough to be elected in 1934 or 1935—

Mr. GUTHRIE: No chance.

Mr. LUCHKOVICH: —I do not care if they introduce the provision concerning peace, order and good government or not, if they get the German, the French and the Italian market by introducing those words into the legislation before us.

Mr. McINTOSH: What has that impossible statement got to do with the point at issue?

Mr. LUCHKOVICH: Well many Liberal members on this side have spoken of negotiations. But as far as 1930 is concerned all I have to say is that the Liberals have turned out to be a pretty poor flock of negotiators, because it was under them that we lost this very valuable market for our agricultural

products, especially wheat. Now I am not afraid of names. I have been called a rascal, a scoundrel, and a Tory, but I have not yet been called a Liberal, which may or may not be "the most unkindest cut of all." I do not see why hon. members to our right should try to draw a red herring across the path of the valid argument that we have submitted. Every time they get into a tight corner they inevitably flaunt this old constitutional question in the face of the committee instead of suggesting something that will help the farmer and the labourer to get out of the difficulties in which they now find themselves. I believe in the doctrine of the economic unity of the universe just as much as any man in this house, and I believe in low tariffs just as much as any hon. members to my right.

Mr. YOUNG: Why not vote for them?

Mr. LUCHKOVICH: When you get into power why do you not lower the tariffs? Why not do something about it? Why don't you practise what you preach?

Mr. MOTHERWELL: It was the lowest since confederation.

Mr. LUCHKOVICH: The reason the Liberal party was defeated in 1930 was that they were trying to be an imitation of the Conservative party, and the people of Canada wanted the real thing, not an imitation. I am not going to make any prophecy with regard to the election of 1935—

Some hon. MEMBERS: 1934.

Mr. LUCHKOVICH: Or 1934, I do not care which it is, but as far as I am concerned I am prepared to run in an election tomorrow.

Mr. GUTHRIE: Don't be in such a hurry.

Mr. LUCHKOVICH: The people of this country can no longer be fooled with tariff talk. They know that ever since confederation the tariff has been a football between both the old parties, and they are not going to be fooled by that again. What they want, as I have already said, is a real low tariff, not the tariff we got under the Dunning budget, which was nothing but an imitation of the tariffs introduced since confederation by what the hon. member over yonder would call the Tory party. Now, sticks and stones may break my bones, but names will never hurt me.

Mr. STEWART (Edmonton): Mr. Chairman, I do not intend to detain the committee very long—

Some hon. MEMBERS: Oh, oh.

[Mr. Luchkovich.]

Mr. STEWART (Edmonton): But may I say that I agree with the hon. member for Vancouver Centre that this is another of the very obnoxious provisions of this bill. I am not going to say a word about my hon. friends to the left; I am leaving their justification to themselves. If they are satisfied with their action we must be satisfied. I regret, along with my hon. friends on this side, of course, the apparent slipping that appears to be going on among them. It does not do much good to say you are a devout adherent of lower tariffs when you continue to vote for higher ones.

Mr. MANION: You ought to know.

Mr. STEWART (Edmonton): May I say to my hon. friends that I have been here a good number of years and I am quite prepared to justify my vote on the tariff on all occasions. But for heaven's sake, don't let my hon. friend go around the country supplementing the statement made by hon. gentlemen in the corner that the Liberal party did not lower tariffs. He can say that undoubtedly the Conservative party did increase them.

Mr. ROBINSON: That is what we were elected for.

Mr. MANION: How much did you lower them on furniture?

Mr. STEWART (Edmonton): I would not like to state how much the Conservative party increased the tariff.

Mr. MANION: How much did you increase it on furniture?

Mr. STEWART (Edmonton): Not at all.

Mr. MANION: Oh yes, to 42 per cent.

Mr. STEWART (Edmonton): No, we did not. We increased it on steel, if that is any comfort to my hon. friend. But we are not going to get very far with an argument on tariffs, so perhaps we shall leave that until the budget comes.

I want to voice my opposition to the provisions of this particular section which is now section 5. I wish to support everything my hon. friend from Vancouver Centre said about the provisions of this section. It is a usurpation of the powers of parliament by the executive, and as long as I continue to be a member of the House of Commons I shall vote and work against any such provision being placed in any statute. The executive are supposed to carry out the will of parliament, but here the executive ask parliament to give them power to spend money willy-nilly in any way they see fit. I am going to say in the same breath that I am not finding any particular

fault with what the government have done under this legislation; it is the principle of the thing. I am not raising my voice against the actions taken by the government under this bill. I do not know what they want the power for; I never could understand why they required it. They have had four years of experience in dealing with this matter and they can say to within $5,000,000 how much money they are going to require. If they would put that in the statute; if they would say they required $100,000,000, for example, to carry out the provisions of this statute this year, they would get that amount. But when they say they are not going to state the sum, that they want us to give them carte blanche to spend any amount in any way they deem fit and necessary, I say the principle is wrong.

An hon. MEMBER: Prior to an election.

Mr. STEWART (Edmonton): I am not particularly exercised about an election; I have that much confidence in the government. I do not think they would abuse the privilege for which they are asking, but I do say the principle of the thing is absolutely wrong and that this power should not be granted by any parliament that has any respect for itself.

I am going to say this also, Mr. Chairman: I believe the day will come when the members of the government, as well as the members of the Conservative party in Canada, will regret having taken this action. They are regretting it already. Just the other evening the leader of the government voiced the opinion that because similar action had been taken in two of the provinces he had grave doubts whether he would not require all the powers contained in this statute for the purpose of counteracting what might be done. The example is being followed, and the men who introduced and stood behind this thing are beginning to be nervous in view of the results that are apparent all over Canada. I say in the most vehement manner possible that I disapprove of this provision, this blank cheque which we are asked to give to the executive to spend as they see fit.

Mr. MACDOUGALL: They have a majority of the members of the House of Commons.

Mr. STEWART (Edmonton): I quite appreciate that a majority of the members of the House of Commons will pass this bill; the members of the Conservative party will support it to a man, and they are the majority. But minorities have some rights; at least we have the rights of free speech and free expression of opinion in this house, and we propose to exercise them.

Mr. STITT (Selkirk): You can abuse them, too.

Mr. STEWART (Edmonton): I challenge any hon. gentleman on the other side of the house to say that I have abused my privileges. Since this bill was introduced I have taken up only about fifteen minutes of the time of the committee, but nothing will deter me from expressing my opinion as forcibly as I can upon any question in regard to which I feel as strongly as I feel in regard to the matter now under consideration. There are two provisions in this bill which are thoroughly obnoxious to me, the one dealing with peace, order and good government and the other dealing with this blank cheque, which gives to the executive powers which should not be given by any parliament.

Mr. BENNETT: I do not propose tonight to traverse the ground that has been so often traversed, nor do I propose to enter into any elaborate argument as to why these provisions to which reference has been made are included in the legislation under consideration. I shall content myself by saying that in our very sincere conviction it is essential, perhaps at this time more than any other, that the words "peace, order and good government" should appear in this legislation; if it were not for that conviction they would not appear. I had hoped that it would not be necessary to use them, but I have convinced myself that I should be failing in my duty to this country and to the position which I occupy if they were not there. Therefore they are includued in the legislation. And if this afternoon hon. gentlemen who sit opposite and to the right supported the legislation to which reference has been made, I take it they did so because there is no case in which it has been alleged that there has been any abuse of this power by this government. No one has suggested that at any time during the four years that will have elapsed by March next there has been, on the part of this government, any usurpation of power, any abuse of authority or any effort to do other than utilize in the interests of the country the powers conferred by this parliament upon the executive.

I shall deal very briefly with the question of the limitation that it is alleged should be inserted in the bill as to the amount that might be expended for the purposes provided by the measure. In the first place the bill provides that the money must be expended in

a given way. I hesitate to say to the committee what I am about to say, but the truth is, a democracy being what it is, that every time you put in a measure a provision that the sum to be expended shall not exceed a given amount, at that very moment those who would be beneficiaries under the legislation immediately begin to claim their share of that amount. I say that with hesitancy, but unfortunately it is true.

Mr. DUPUIS: Would the right hon. gentleman permit a question?

Mr. BENNETT: Not just now; when I conclude I shall be glad to answer any questions.

Mr. DUPUIS: I was just going to refer to the $20,000,000; it was not all spent.

Mr. BENNETT: And the claim to a share of the amount, generally based upon a population basis, unfortunately, creates a situation in which the test is no longer necessity but ability to get. Perhaps hon. members of this house may question that statement, but if they will make some investigations they will find that what I have said is exactly correct.

Then let us go one step further. The executive is being clothed with power to spend money for the purposes indicated, and it is true that the sum to be spent is not mentioned. It is not as though this were something unusual in this parliament. I need not again give the instances I have in mind, but the government of which the hon. member for West Edmonton was a distinguished member gave to the same executive, the same governor in council as is mentioned in this bill, authority, for instance, to guarantee the bonds to secure the money to construct the harbour bridge in Montreal, without mentioning any sum whatever in the bill. The result was that nineteen and a half million dollars were expended on that bridge and every year the people of Canada are taxed to secure the money to pay the interest on that amount.

Mr. YOUNG: You should take warning from that.

Mr. BENNETT: That was a public undertaking which was being constructed, where it was possible to ascertain with reasonable certainty the amount required. Here you have an uncertain condition. You have a situation which I hope and believe will be greatly improved as the months go by, but I say to this committee very frankly that it is my very sincere conviction that if we stated in this bill a given sum of money, every province would claim what it regarded as its share of that money to be expended for the purposes mentioned in the bill. I speak now not from guess work but from experience. If I ask this house to grant this power I say again to the committee that when they talk of usurpation of power and dictatorship, they would only have to endeavour to discharge the duties that have rested upon the executive during the last few years to realize the necessity for powers being conferred upon it to enable it to deal with any situation that may arise. And further, the very fact the power is there has had tremendous effect in enabling matters to be disposed of. Now, as Canadians we are all more or less familiar with business as it is done in the common, ordinary, everyday run of life. We are a cross section of the country. We know perfectly well that there is nothing quite so bad as to hold out the sign of something to get and create a competition for the getting of it on the basis that competition arises in connection with a democracy. Everyone of us knows that; there is not one of us who does not know it. I ask the committee just to apply their ordinary, everyday, run-of-mine judgment to this transaction, and to realize what we are endeavouring to do. Dear only knows we do not wish to add further cares to the ones we already have, or seek authority to do something which we believe is not in the interests of the country. Will the committee not realize that in endeavouring to discharge our duties we have thought only of the welfare of Canada, and not our personal welfare.

Sometimes I hear hon. members in this chamber talk as though members of the government derived some satisfaction or happiness from working eighteen hours a day, when in fact one might just as well be free of it all. I say to this house sincerely that I did hope it would not be essential to put a provision of this kind in the bill. It would not be fair for me to disclose to hon. members all the information which comes to one, or to this office—not to the man but to the office—from all parts of the world. I realize that the great experiments being conducted in various parts of the world have placed upon this country, situated as it is—because geography is a fact which we cannot change—terrific and at times almost terrifying responsibilities.

When I heard my friend from Vancouver Centre (Mr. Mackenzie) declaim, I could almost fancy I heard myself. I am fair enough to him to say that I thoroughly appreciate the position which he has taken; for there is nothing which he has said touching freedom,

liberty or control that is new to me. There is nothing that he has said in that regard in which I do not entirely concur. But when applied to these particular facts or circumstances, and the conditions which exist today, we must realize that when Professor Redlich, that eminent Austrian, developed his statements from historic conditions surrounding expenditures of public money in Great Britain, he then was not dealing with a world depression. He was not dealing with a world distressed; he was not dealing with universal chaos in economic affairs. He was dealing with the orderly, commonplace conduct of public business. And when Colonel Durell wrote his book and placed before his readers the historic aspect of the development of parliamentary control over public expenditures, with particular reference to the control of the House of Commons over such expenditures, he was not dealing with a condition where thousands of men and women were looking to the state for sustenance, for food, for clothing, or for support. He was not dealing with the congregation of people in great cities who had no employment. He was dealing with the orderly conduct of human affairs as they had been developed under our parliamentary institutions. And if I say to this chamber that it is my profound conviction that the extraordinary conditions which the world has seen develop during the past few years have not passed, I go further; notwithstanding the inherent right of hon. members to criticize everything done by the government, they will at least admit that there is no evidence of any abuse of authority, of any usurpation of power for the sake of power, or of any effort being made at any time by this executive or any member of this government to do anything other than what was honestly and earnestly believed to be in the interests of this young dominion.

It is on that ground that I put to the committee the overwhelming necessity imposed upon us of seeking this legislation again. I say frankly to this committee that if I could bring my mind to the belief that it was not necessary to ask parliament to confer upon the executive for the next eleven months—because the act expires on March 31, 1935—

Mr. MACKENZIE (Vancouver): With the qualification contained in section 10.

Mr. BENNETT: Well, those are qualifications with respect to expenditures which have to be paid because obligations were created. I thank the hon. member for bringing that to my attention. I think it would be fair to say that if I did not believe it were essential to ask this chamber to accept the legislation for eleven months, I certainly would not ask for it.

To be vilified, to be held up to execration and abuse, is not a thing a man should seek who is endeavouring to serve the public. If by properly eliminating the legislation I could escape it, does it not appear to hon. members that I would do so? But because I cannot do that, and because I should be failing in my duty to my country if I were to do it, these clauses are in the bill. I ask the committee to believe that nothing but an overwhelming sense of duty and of obligation has induced us to place them there.

Mr. STEWART (Edmonton): May I ask a question before we leave this subject? Is it not a fact that in the agreements with the provinces no limitation is placed upon the provinces with respect to their expenditures? Are there limitations placed in the agreement?

Mr. BENNETT: No agreement with a province becomes effective until it has been approved by this government. And the estimate of the expenditure involved under it is always present, with the agreement itself. No blank authorization to spend unmentioned sums is conferred upon a province.

Mr. STEWART (Edmonton): That is, I am right in assuming that before the provinces may make any expenditures under the relief agreements, there must be an agreement for a fixed and definite sum with each province before expenditure takes place.

Mr. BENNETT: No, I said a moment ago that the exact sum is not mentioned. But an estimate is made when the application for approval of the expenditure is sent to the federal government. May I repeat the statement I made, lest it be misunderstood: In connection with direct relief there is not a limit placed upon the dollars which can be expended. The necessity is the measure of expenditure with respect to direct relief. I should like to make that point sufficiently clear. That is, if the provincial authorities caring for the necessitous poor at point A expend certain sums of money on each, we make a fixed contribution of a percentage or fractional part, and the exact sum which may be expended, of course, cannot be determined. But the character of relief which is to be afforded is imposed by a condition in the agreement that is made. Is that clear?

Mr. NEILL: May I suggest something which may solve what appears to be rapidly approaching a deadlock? The time cannot be very far removed when the government

may consider instituting closure, and I do not know that an extended discussion of this matter would do any of us any great good in the minds of the people. Parliamentary institutions are on trial in a sense if we cannot bring this matter to a head before very long. The Prime Minister has said that in his official position, information comes to him from all parts of the world and all parts of the country, and we have no reason to doubt his word, which makes it imperative for him to insist on inserting, much against his will, these words relating to peace, order and good government, and what they involve. If that is the case, and we will assume for the moment that it is, and I admit that for obvious reasons he cannot make this information known to the house and the country at large, why cannot he do what I have known to be done in other countries—call in the leaders of the two opposition parties, honourable men who can be trusted, and explain to them at least the reasons that actuate him in inserting these words? Then if they could go back to their followers convinced that the attitude of the government was one of necessity, the difficulty would be ended. I submit that that has been done before, and it might well be done in this case.

Mr. BENNETT: I can only say to the hon. gentleman that if a crisis should develop I certainly would not hesitate. On more than one occasion I have endeavoured to make known what I conceived to be of interest, but I think it is only fair to say that the leader of the official opposition—I am sorry he is not present at the moment—holds so very strong an opinion in this matter, expressed probably in the terms used by the hon. member for Vancouver Centre, that I feel he would not regard any reason I advanced as being sufficient for the purpose the hon. gentleman has indicated. I think that is a fair statement of it in connection with what the hon. member for Vancouver Centre has said.

Mr. STEWART (Edmonton): In order that we may get on with the bill I may say that the official opposition have only one more amendment to be disposed of.

Mr. DUFF: Before the amendment is put, Mr. Chairman, may I ask the Prime Minister if it is the intention this year to arrange for public works being undertaken in different parts of the country under this act, or does the government intend to bring down a special bill for that purpose, or to place votes in the supplementary estimates for the different undertakings?

[Mr. Neill.]

Mr. BENNETT: Twice to-day I have said that the government proposed to introduce a bill dealing with public works, and that a schedule would be attached to it indicating what the proposed works were. I did not hold out any hope that there would be large appropriations covering small items, and the hon. member for Shelburne-Yarmouth was quite correct in what he said with respect to that; but I did say in answer to a question that I would consider whether special provision might not be made to deal with items of the character he mentioned.

Mr. DUFF: My reason for bringing this matter up, Mr. Chairman, is this: Under the relief measure of two years ago certain sums of money were handed over to the Public Works department for different expenditures, and the Minister of Public Works, instead of calling for tenders in cases where the amount involved greatly exceeded $5,000, gave these works out to certain persons in the different provinces without calling for tenders at all. While the Prime Minister has told us that there has been no talk of scandals or undue pressure in connection with the money spent under the Relief Act, I would point out to him that it is in the interests of the country that the provision in the Public Works Act should be observed, namely, section 36 of chapter 166, part 2 of the statutes of 1927, which specifically provides that except in cases "of pressing emergency in which delay would be injurious to the public interest" tenders shall be called for in the case of all works over $5,000. If it is the intention of the government to give to the Minister of Public Works, as was done two or three years ago, certain sums of money to be spent on relief undertakings, the Prime Minister should instruct the Minister of Public Works to call for tenders whenever the amount involved is over $5,000. I know of a number of cases where there was no pressing emergency, and where the Minister of Public Works gave these moneys to certain persons and they were not spent for relief purposes at all. People who were not in need of relief, men in good circumstances, were made foremen of the works and supplied timber to carry on the work. If moneys are to be voted under this act the government should be very careful to see that all of the moneys spent go direct to the people who are in need of relief and who want to get work or to supply timber in connection with these works. I would ask the Prime Minister to see that that is done.

Mr. STEWART (Leeds): Mr. Chairman, in reply to the statement of the hon. gentle-

man who has just addressed the committee I would point out that he has apparently overlooked one clause of that act which says that when the officers of the Public Works department certify that in their opinion the works can be executed more expeditiously and economically by days' work than by calling for tenders, it may be done in that way. Obviously there are certain works for which it is very difficult to prepare specifications and call for tenders in advance, and it is only in cases of that kind that works exceeding $5,000 are done by days' work, or possibly in some cases under the Unemployment Relief Act where it was possible to give a larger measure of employment by doing the work by day labour rather than by contract. Of course when a contract is awarded the contractor decides who shall be employed, and although in some cases the works done by days' work did exceed $5,000 the work was done in that way in places where there was considerable unemployment and where it was possible to rotate men who were in need of work. I can assure my hon. friend that the spirit and intention of the Public Works Act has been respected, and whenever it has been departed from it was either for the reason that the work could not be done expeditiously and economically by contract, or because the circumstances were such that there was special need for relieving unemployment.

Mr. DUFF: I cannot agree with the Minister of Public Works, because I know of cases where the work would have been done much more expeditiously and economically if tenders had been called for, and not only that, but more men would have been employed had the work been given out by contract. The minister could very well have inserted in the contract, if he was afraid that the contractor would not give work to certain people, that the work should be divided among the people in the community who were in need of work. It is all very well for the minister to try to put this on the shoulders of his officials and say that they advised him that these works could be done more expeditiously by days' labour than by contract, but I know differently, and I say that he cannot blame the officials of his department. These amounts were spent and the advice was given to the officials and they were told what to do by the minister in the head office here at Ottawa. All I say to the Prime Minister is that if any moneys are to be spent under this Relief Act for public works, tenders should be called for instead of the work being done as it has been done in the past by the Minister of Public Works.

Mr. STEWART (Leeds): My hon. friend has said either too much or too little. I ask him to give me now the work that he refers to which he says was done in this irregular way, and I will investigate. I assure him that no instructions were given by me in any way in conflict with the Public Works Act.

Mr. DUFF: I quite agree with the minister that no instructions were given by him in conflict with the Public Works Act, but you can drive a horse and cart through that act if you want to; you can read it seventeen different ways, and that is the way lawyers draft bills. I say to the minister that I know of different cases but I am not going to give him the information. Let him go down and examine the files. I know of one instance where they had two foremen, one at $7 per day and one at $6.

Mr. BENNETT: Where was that?

Mr. DUFF: Let the minister go down and examine the files. There is another case where he paid 15 cents per foot for logs and 6 cents for poles.

Mr. BENNETT: Where was that?

Mr. DUFF: I ask the minister to find out where it was.

Mr. MACDOUGALL: Say where it was.

Mr. DUFF: The minister knows where it was.

Mr. CANTLEY: You are making the charge; why do you not substantiate it?

Mr. DUFF: When the public accounts committee meets I will make the charges. Let the minister produce the files then; that is the time to do it, not now.

Mr. STEWART (Leeds): This is the second time my hon. friend has made this statement. On the previous occasion I pressed him just as hard as I could, and I do so now, to tell me the place where this work was carried on. Will he tell me the constituency in which it was carried on?

Mr. DUFF: When the public accounts committee meets I shall be delighted to produce the information. All I am doing now is to ask the Prime Minister not to repeat in this bill what happened two years ago when money was passed over to the Minister of Public Works to do certain repairs and to construct certain works in Nova Scotia.

Mr. STEWART (Leeds): Will my hon. friend give me the name of the foreman?

Mr. DUFF: No; go and look at your files and find out.

Mr. STEWART (Leeds): How can I go through all the files to find out?

Some hon. MEMBERS: Question.

Mr. STEWART (Leeds): I ask my hon. friend to confer a favour and enable me to investigate this matter to see if there is any further action which should be taken. I ask him to give me sufficient information to do this. If he is not prepared to do it now, will he write me a letter?

Mr. DUFF: My hon. friend can look over the returns which I asked for last year. There were not very many.

Mr. STEWART (Leeds): There were a good many last year.

Mr. DUFF: Not by me.

Mr. STEWART (Leeds): Yes, a good many.

Mr. DUFF: No.

Mr. STEWART (Leeds): Will my hon. friend write me a letter giving me such information as will help me to trace this matter or to identify it?

Mr. BENNETT: The hon. member for Antigonish-Guysborough has charged the Minister of Public Works with having done certain things. The minister has asked him for the name of the constituency, and if he cannot give that; for the name of the work and the name of the foreman, but the answer he has received is "go and look at the files".

Mr. DUFF: I did not do the work.

Mr. BENNETT: Most hon. members of this house are at least fairminded. I have always found them thus, although the bitterness of their criticism of myself is not always fair. Let hon. members just reverse the conditions; put one of you in as Minister of Public Works. If a member on this side made a charge and then you, as minister, asked for the name of the foreman, of the work or of the constituency, would you not expect an answer? He who asserts must prove. A charge is made but the only answer given is "go and look at your files." Is that fair?

Some hon. MEMBERS: No.

Some hon. MEMBERS: Question.

The CHAIRMAN (Mr. Stirling): The question is on the amendment.

Mr. MACKENZIE (Vancouver): Read the amendment.

[Mr. H. A. Stewart.]

The CHAIRMAN (Mr. Stirling): It is moved by Mr. Mackenzie, Vancouver Centre, seconded by Mr. Casgrain, that section 5 be amended by inserting the words "and appropriated by parliament" after the word "necessary" in line 16.

Amendment (Mr. Mackenzie, Vancouver) negatived on division.

Section 4 (now section 5) agreed to on division.

Section 5 (now section 6) agreed to on division.

Section 6 (now section 7) agreed to on division.

Section 7 (now section 8) agreed to on division.

Section 8 (now section 9) agreed to on division.

On section 9 (now section 10)—Payment of delayed accounts in excess of amount authorized.

Mr. MACKENZIE (Vancouver): This is a new section?

Mr. BENNETT: Yes. This is to meet a situation which developed in the case of Montreal, for instance, and I trust my mentioning this will not cause any unnecessary discussion. In this case the accounts were received yesterday, which is several days after March 31.

Mr. MACKENZIE (Vancouver): It is retroactive in effect?

Mr. BENNETT: It is to cover a situation of that kind. Yesterday we received the accounts only down to July and we have not as yet received the remainder.

Section agreed to.

On section 10 (now section 11)—Duration of act.

The CHAIRMAN (Mr. Stirling): An amendment is moved by Mr. Ralston, seconded by Mr. Stewart (West Edmonton), that section 10 be amended by striking out all the words which follow the words "March, 1935" to the end of the section.

Mr. RALSTON: I am sponsoring this amendment. Could the Prime Minister give the committee an explanation for the proposal that a liability incurred before March 31 but not paid shall be authorized by this bill rather than follow the usual practice of the audit act? The fiscal year expires on March 31 and that act makes provision by order in

council, not by governor general's warrant, for the extension for two months of the time of payment of all liabilities incurred before the end of the fiscal year.

Mr. BENNETT: A specific case arose a year ago, and upon consultation with the Department of Justice it was found that there was grave doubt as to our ability to deal with the situation unless we included the provisions of section 9. Section 10 deals with the actual conditions of this year's work. We were hoping that this would be the end of this form of legislation and this provision would enable the government to clean up the situation in the manner I have indicated. Having regard to our experience last year in connection with expenditures for which we did not get vouchers, it was thought desirable to deal with it in this way.

Mr. RALSTON: The Prime Minister will remember the discussion which took place in 1931 when a special vote was brought down for capital requirements of the Canadian National Railways. At that time the Prime Minister had a provision in the bill to this effect:

> Notwithstanding the provisions of the Consolidated Revenue and Audit Act, this appropriation shall not lapse before May 31, 1931.

He proposed to incorporate in the bill permission to extend payments under it over a period of two months after the end of the fiscal year. His attention was directed to this matter by the hon. member for Rimouski (Sir Eugene Fiset) who, from his long departmental experience, was very familiar with the audit act. After considering the matter, the Prime Minister moved to strike out that clause. I do not know that I recall the exact words of the hon. member for Rimouski, but his argument was to the effect that this was a grave invasion of a very important principle which had been laid down in connection with capital expenditures. Section 49 of the act says that the bell rings and the fiscal year closes on March 31, and that all bills shall be in at that time. However, in order that the public service may not suffer there is a provision in the same section which says that for two months afterwards the governor in council may, by order in council, pay accounts for expenditures which have been incurred prior to the end of the fiscal year; in other words, two months' leeway is given. I ask the Prime Minister if he cannot see his way clear to accept the amendment now proposed in connection with this measure in order to preserve that principle. When the Canadian National bill to which I have referred was under consideration in 1931, the Prime Minister gave as a reason for the insertion of this clause the fact that it was a very special matter and that the advice given by the auditors was that it was desirable. He said it was for that reason and no other that the clause was inserted. At page 517 of Hansard of March, 1931, he is reported as having made this statement:

> This is not our money for the purpose of expending it as we please.

In other words, the fund was specially earmarked for the purpose of expenditures for the Canadian National Railways. This, on the other hand, is a general fund earmarked for relief purposes, but without the limitation of a specific amount, and it may be devoted to a variety of purposes. So that the special nature of the funds in connection with the bill with which we are dealing to-night is not nearly so pronounced as it was in connection with the Canadian National bill of 1931. He proceeds:

> It is required to meet specific deficits in the operation of the railway; and their audit is made, not ours. All we do is to pass it out of our hands under the circumstances to which I have alluded. I desire, inasmuch as it may be difficult under present conditions to raise the sum of money required in a moment or two, that we and the railway company both should have an extension of time until the 31st of May in which to deal with the matter. It is unusual, I admit. It has been done only once before, but that was on an occasion somewhat similar to this. If the committee thinks that the public interest is not being as well served in this way as in some other, I am content; but it might result in the sum of money not being made available at all.

Now that we have had relief bills for two years without this provision, I would ask the Prime Minister seriously to consider accepting the amendment.

Mr. BENNETT: We could not accept the amendment the hon. gentleman has offered without dislocating the whole machinery, unless we got in the accounts a little more rapidly than we have. I shall be quite content, if it will meet the wishes of the opposition, to add these words, after the words "revenue fund":

> —at any time prior to the first day of July, 1935.

That gives a little longer than two months; it gives to the end of June—April, May and June—in which to clean up the situation. I think the hon. gentleman will realize, having regard to the difficulties of getting the accounts straightened out, audited and vouched, that it might take that time, and if it will meet the situation I suggest that the amendment be accepted.

Mr. RALSTON: How will it work out?

Mr. BENNETT: The section will read:

This act shall expire on the 31st day of March, 1935, but any obligation or liability incurred or created under the authority of this act prior to the 31st day of March, 1935, together with any liability for expenditures after that date for projects required to be completed in order to preserve the value of work already done may be paid and discharged out of the consolidated revenue fund at any time prior to the first day of July, 1935.

In other words, that extends the time, so that instead of two months as indicated in the Audit Act, it will be three months, having regard to the very special difficulties that have to be met in connection with some of these matters. I am content to do this if it will expedite the transaction.

Mr. STEWART (Edmonton): The objection is that it gives an extension of three months to the activities.

Mr. BENNETT: No.

Mr. STEWART (Edmonton): Yes. The fiscal year ends on March 31 and this amendment extends the time for three months.

Mr. BENNETT: No; it extends only the time for payment of obligations.

Mr. STEWART (Edmonton): But you have still embodied in the clause works that may be continued.

Mr. BENNETT: Only for one purpose, but they have to be paid for within that time.

Mr. STEWART (Edmonton): My objection is just as serious to the amendment as it is to the section as it stands.

Mr. BENNETT: Frankly, I do not think my hon. friend has followed the purport of my suggestions. I am prepared to limit that section to three months. The hon. gentleman said two, which is the general provision of the Audit Act. For instance, when the budget is delivered we can only make an estimate of revenues and expenditures up to March 31, because the accounts come in for the next two months, in order to clean up the transactions for the fiscal year. I suggest that we be allowed the extra month, having regard to the kind of business this is, and dealing as we are with municipalities, direct relief and matters of that kind, and our experience in Montreal and other places, though perhaps not to the same extent. Under the circumstances I think I am warranted in making this suggestion.

[Mr. Bennett.]

The only other question, then, in regard to which the hon. gentleman has any difficulty is that we may create further liabilities with respect to projects that require to be completed in order to preserve the value of the work, but they would have to be paid for also. I am making provision for payment by the first of July.

Mr. MACKENZIE (Vancouver): I am still opposed to it.

Mr. BENNETT: I am prepared to provide that payment for everything mentioned in section 10 shall be made prior to the first day of July, 1935.

Mr. RALSTON: With all deference to the Prime Minister, and realizing that he is endeavouring to meet us, I submit that the compromise which he proposes is not worth while. For the extension of the extra month it is not worth while violating the principle laid down by the Audit Act, which has been observed by parliament with the single exception to which reference has been made. The Prime Minister is asking us in this particular bill not only to extend the powers with respect to peace, order and good government, not only to grant a blank cheque, but to amend the Audit Act as well. I submit that the matter ought to be left as it is. These accounts should be in by the end of May. I appreciate his endeavour to meet us but it is the principle of the thing and not the length of time. I submit that the Audit Act should be the governing act so far as the payment of government liabilities is concerned, and we know that under the general act all accounts must be in if the federal government takes the responsibility of passing orders in council.

Amendment (Mr. Ralston) negatived on division.

Mr. BENNETT: I move that after the word "fund" in the last line but one of the section all the words to the end of the section be stricken out and that there be substituted the following words:

At any time prior to the first day of July, 1935.

Mr. NEILL: Does the Prime Minister not think that the section still needs the words proposed to be struck out?

Mr. BENNETT: With the language that precedes those words they are not necessary.

Amendment (Mr. Bennett) agreed to on division.

Section as amended agreed to.

The CHAIRMAN (Mr. Stirling): Shall the preamble carry?

Mr. BENNETT: There are two lines added to what was there last year, about the Department of National Defence and the Department of the Interior.

Mr. HEENAN: On this section I should like to ask the Prime Minister, in view of the fact that this is the fifth bill of this nature that has been introduced in parliament, if he does not think it is about time we should try to get together with the provinces for the purpose of amending the British North America Act so that the federal parliament can deal with its own expenditures and the provinces deal with theirs. I have observed that many of the newspapers in Canada to-day that were opposed to social services such as old age pensions, unemployment insurance and matters of that kind are now advocating that the British North America Act should be changed so as to permit the federal government to carry on certain services. I was pleased to hear the Prime Minister state the other evening that he now sees the necessity of amending that act so that the government can deal with social problems. I cannot see now very much to hinder such amendment: the people of Canada are in favour of it, the newspapers seem to be in favour of it, the Prime Minister is in favour of it, and the leader of the official opposition placed himself on record in favour of it in two or three statements which I shall quote.

Mr. GUTHRIE: Are the nine provinces in favour of it?

Mr. HEENAN: I shall speak about that in a minute or two. The leader of the opposition said on March 13, 1930:

If the provinces themselves are not able to meet the obligations it was hoped they would be able to meet when there was a division of jurisdiction between the provinces and the federal government, then the way to meet that situation is by revising the subsidies that are to be paid to the provinces. Let us have a general revision of the subsidies, and let us make an allotment to the several provinces in the form of subsidies to which each will be entitled as a matter of right and as a matter of law, not something for which they will have to look to the federal treasury for a term of years, and which comes to them as a matter of grace.

That will be found at page 580 of Hansard for March 13, 1930. Then again on May 26, 1931; at page 1966, he is reported as having said:

The time I think has arrived when this matter should be made the subject of a conference concerned with a financial readjustment between the dominion and the provinces. If it does appear that the provinces are entitled to something more than the subsidies as fixed at the present time, by all means let the subsidies be revised and an increased amount given. A step which might serve the purpose equally well, and possibly even better, would be for this federal government to take over some of the services which at present are being left to the provinces.

Again on July 23, 1931, at page 4102 of Hansard:

I have no objection to any just increase which might result from proper revision of the subsidies, but I would point out to my hon. friend that before having the country go further into debt, before imposing more in the way of taxation upon the people, it would be advisable for the government to call a dominion-provincial conference and review the different services which are being carried on by the different administrations, take into account all grants which have been made in the past and now are being made to the provinces by the federal administration and see if it is not possible to make some definite arrangement whereby the provinces on their part and the dominion on its part will themselves thereafter raise all that is necessary for the carrying out of the particular services which may be assigned to them. If the provinces have not a sufficient latitude in the way of fields of taxation, then more latitude should be given.

Again at page 4120 of Hansard the right hon. leader of the opposition is reported as having said:

. . . I again appeal to the ministry, although I know my words will not be hearkened to, to consider whether the time has not come when we ought to call the provinces into conference to find out, where there is any doubt, what services should be carried on by the provinces, what services should be carried on by the dominion, what is a fair adjustment of financial arrangements between them, what are the sources of revenue and taxation for each of them to have. If as a result of that conference it is decided that the British North America Act should be amended so that the federal parliament shall take over in its entirety the work of industrial and technical education in all parts of Canada, I shall be prepared to support a recommendation of that kind.

The Minister of Justice (Mr. Guthrie) a moment ago asked me if the provinces had agreed. I do not know. I do not know because I have not been in the confidence of the government. The government have called a few dominion-provincial conferences, but

little has been made public as to what occurred at those conferences except a statement once in a while from the government benches that we cannot do thus and so until the provinces agree. Surely if ever any government of Canada had a mandate from the people to amend the British North America Act, or at least to do things even to that extent, this government has. Hon. gentlemen who are now members of this government went out and told the people that they would do these things if they were elected. In my opinion that mandate is of more force and effect than that which any British parliament, any mother of parliaments, can give. I consider that the government have a mandate, especially since they asked for it. The time is long past for any further delay in the taking of steps to secure an amendment to the British North America Act to enable the government to carry on necessary social services such as old age pensions, workmen's compensation, unemployment, health insurance and all these matters. The official opposition has through its leader put itself on record as favourable to it, I know that the Liberal party in the province of Ontario are in favour of it, because they have had it in their platform for three or four years. Steps should be taken, especially after our experience of the last four years, to secure an amendment of the British North America Act so that the federal government can keep control over its own finances and take charge of all these social services.

Mr. BENNETT: I mentioned to this committee the other day in answer to observations made by the hon. member for North Waterloo (Mr. Euler) that I was of the opinion that the constitution would have to be amended in order to enable matters affecting social services to be dealt with by the federal power. I suggest to the hon. member for Kenora-Rainy River (Mr. Heenan) that he communicate with the leader of his party in the province of Quebec. I hold in my hand a newspaper in which already, as a result of the very few observations I made the other evening, we see on the front page in large headlines:

Bennett would revise the constitution.
Taschereau defends the rights of the provinces.

Then there is a picture of the Prime Minister, under which it says:

Right Hon. R. B. Bennett, Prime Minister of Canada, who signified his intention to make amendments to the constitution of Canada for the purpose of dealing with social measures.

Then there is a picture of Mr. Taschereau, the premier of Quebec;

—who has constituted himself the new champion of provincial autonomy and is opposed to any changes in the Canadian constitution without a conference between Ottawa and the provinces, and the unanimous consent of all the provinces.

Mr. MACKENZIE (Vancouver): Which paper is that?

Mr. BENNETT: This is the Sherbrooke Tribune of April 12, and similar statements appeared in other newspapers in Quebec. With the best of intentions I commend to the hon. member for Kenora-Rainy River the very pleasant task of spending the recess in converting to his principles the premier of Quebec, and I doubt not that after he has laboured with that gentleman long and arduously he will have induced him to believe that these amendments are necessary. I leave that task to the hon. gentleman.

Mr. HEENAN: If I were to use the words of the right hon. Prime Minister probably I would say, as was said from the platform in 1930, that I will not prescribe until I am called in.

Mr. BENNETT: You have been a volunteer prescriber.

Mr. HEENAN: There is also the fact that I talk a little Gaelic; I am not so sure that Premier Taschereau would understand that, and I know I would not understand his French, so I think probably the Prime Minister would make a better job of it.

I realize that there is something in what the Prime Minister says; I realize that if we wait here until we get the nine provinces to agree to the amendment of the British North America Act it never will be amended. I recall a conference I attended here in 1927, when not only Premier Taschereau and his government but the government of Nova Scotia as well were unalterably opposed to changing the British North America Act. At that time the government of Nova Scotia was headed by the late Premier Harrington and was represented here by the present Minister of Finance. The province of Ontario, represented by the present attorney general, Hon. Mr. Price, and my old friend Hon. Howard Ferguson, was opposed also. So here we are

boxed up, as it were. To-night the Prime Minister advanced the best argument that I have heard as to why the act should be amended. The right hon. gentleman said that if we state a definite amount in this bill the provinces will clamour for what they think is coming to them; even if they need only $2,000,000 if there is $20,000,000 to be divided they will want their share. I think the Prime Minister was right in that argument; I agree with him, and that is just another reason why we in this federal parliament should take care to see to it, when we are spending money, that we spend our own money over which we have control.

There is another course that occurs to me. If these provinces are in the financial position they say they are in, and I have no doubt that is the fact; if they come to this government for aid why could not the government make it a part of the bargain that the British North America Act should be changed in order to allow the federal government to administer many of these things on their own account? I make that suggestion to the Prime Minister in good faith; I believe that could be done. I do not believe the present Prime Minister, the present government or any government of any other political stripe ever will be able to induce the nine provinces to agree to the amendment of the British North America Act.

Mr. BENNETT: We got them to agree to a uniform companies act.

Mr. HEENAN: Yes, they will form companies, but when it is a question of legislating with regard to fair wages, old age pensions, shorter working days and so on it is a different thing altogether. I am not going to take up the time of the committee further. I make this suggestion, and by this time I should think the Prime Minister would be convinced that we should have control of our own money. If we have to give it to the provinces then let us give it to them under proper conditions so that we can control it ourselves.

Mr. HANBURY: Before this bill is reported may I say that I think the discussion introduced by the hon. member for Kenora-Rainy River is quite interesting. I refer to the questions of the amendment of the constitution. I have no desire to embarrass the Prime Minister at all, but in view of the interest that has been shown in this subject from one end of Canada to the other during the past month or so I would inquire of the Prime Minister if he cares to say whether he considers that any amendment could be made that is not unanimous.

Mr. BENNETT: Two answers could be given to that question; one is the political answer and the other is the legal answer. The legal answer is that if this parliament—and that means both houses—adopts a resolution embodying a petition to the sovereign for the enactment of legislation by the parliament at Westminster amending the British North America Act, under the statute of Westminster such legislation would be enacted accordingly. I referred to the political argument the other day. The constitution of Canada is a compromise, and the extent to which variations of that constitution should be effected, if they impinge upon the rights of the provinces that were the original partners to the confederation pact, is a matter that would require careful consideration, in my judgment, looking to the future as it might be affected by any breach in the harmony that would be involved by making amendments that did not meet with the approval of all the provinces.

Preamble agreed to on division.

Title agreed to on division.

Mr. BENNETT: Before the bill is reported I should like to correct one error into which some of my hon. friends fell. When I moved the house into committee last night just before eleven o'clock I did so because, when I moved the committee up earlier in the day, I stated that it would meet again that day, and in order that the rules might be kept I had to move the house again into committee and move it up at once. That was not done in consequence of any action taken by the opposition. I should like to free the opposition from any blame that may attach in relation to that phase of the matter.

Mr. STEWART (Edmonton): We were not taking any.

Mr. BENNETT: That condition never arises, but I noticed the press expressed that opinion. There is one other thing; with regard to the address over the radio last evening it lasted only until half past eight. It was because my hon. friend pursued the course that he did with respect to a matter that I had endeavoured to explain three times

that it was thought that if we delayed discussion a better opportunity might be afforded for disposing of the matter than would be the case if we then proceeded. If we had been in a position to go on my hon. friend the Minister of Justice would have taken up that phase of the question.

Bill reported.

On motion of Mr. Bennett the house adjourned at 10.35 p.m.

Monday, April 16, 1934

The house met at three o'clock.

PRIVATE BILLS

Mr. G. H. PETTIT (Welland) moved:

That the petition of Lucy Doris Cannon praying for a bill of divorce from Edward Frederick Cannon, together with the report of the clerk of petitions thereon be referred to the select standing committee on standing orders for the purpose of considering the suspension of standing orders 92 and 93 (3) (a) and (c) in relation thereto.

Motion agreed to.

Mr. MICHAEL LUCHKOVICH (Vegreville) moved:

That the petition of Annie Rosner praying for a bill of divorce from Solomon Rosner, together with the report of the clerk of petitions thereon be referred to the select standing committee on standing orders for the purpose of considering the suspension of standing orders 92 and 93 (3) (a) and (c) in relation thereto.

Motion agreed to.

HOSPITAL SWEEPSTAKES

On the order:

Bill No. 56 (Letter A of the Senate), intituled: "An Act with respect to Hospital Sweepstakes."

Right Hon. R. B. BENNETT (Prime Minister): It will be observed, Mr. Speaker, that it is not indicated that the bill is in charge of any particular member of the house. In view of the fact that the government proposes to leave the matter entirely to the members, without any indication of the government's view with respect to what action should be taken, it might be well to set a day for the discussion of this bill. A day next week might be agreed upon, if some hon. member becomes sponsor for the bill.

[Mr. Bennett.]

Mr. SPEAKER: I am informed that Mr. Fraser of Cariboo sponsors the bill.

Order stands.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

COMMUTERS CANADA-UNITED STATES

Mr. ROBINSON:

1. How many persons residing in Canada commute daily for work in the United States, and what is the total amount of their yearly wages?

2. How many persons residing in the United States commute for daily employment in Canada, and what is the total amount of the yearly salaries paid to them?

Mr. BENNETT: With respect to this question it is impossible for the government to give a correct answer. We have no means of ascertaining the information sought. We have communicated with our representative in Washington for the purpose of bringing the matter to the attention of the American government as mentioned the other day, but the question itself cannot be answered.

Question dropped.

RAW TOBACCO IMPORTS FROM UNITED STATES

Mr. GOTT:

1. How much raw leaf tobacco was imported from the United States of America during the fiscal years ending March 31, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, 1932, 1933, 1934?

2. How much tobacco was exported from Canada during the foregoing years?

3. What was the production of tobacco in Canada during the foregoing years?

Mr. STEVENS:

1. Canada's imports of raw leaf tobacco from the United States for the years ended March 31, 1920 to 1933, and for the eleven months ended February 28, 1933 and 1934, were:

Years ended March 31	Pounds	Dollars
1920	23,398,746	12,787,163
1921	19,032,367	12,108,281
1922	19,848,439	8,108,639
1923	13,063,379	4,686,642
1924	14,421,145	5,595,874
1925	12,335,687	4,592,936
1926	14,000,926	5,361,251
1927	15,933,267	5,170,848
1928	16,853,796	5,594,946
1929	17,441,819	5,618,975
1930	15,878,880	5,363,643
1931	15,092,356	4,335,903

Year ended March 31	Pounds	Dollars
1932	12,216,403	3,197,283
1933	9,629,218	2,530,725
Eleven months ended February 28		
1933	8,777,176	2,333,956
1934	7,169,632	1,784,179

Note.—Imports of raw leaf tobacco from the United States for the year ended March 31, 1934, will not be available for about two weeks.

2. Canada's domestic exports of raw leaf tobacco for the years 1920 to 1934, were:

Canada's Domestic Exports of Raw Leaf Tobacco, with Amounts Exported to the United Kingdom
(Years ended March 31, 1920 to 1933; and eleven months ended February 28, 1933 and 1934)

Years ended March 31	Total Exports		Exports to United Kingdom	
	Pounds	Dollars	Pounds	Dollars
1920	223,595	130,264	181,176	94,430
1921	200,153	130,457	160,112	90,389
1922	471,991	175,826	340,487	135,784
1923	1,100,007	297,923	892,482	248,374
1924	2,055,337	375,582	1,164,061	295,116
1925	3,531,422	733,166	2,219,109	645,730
1926	2,860,413	1,045,673	2,722,897	1,030,250
1927	6,330,972	2,569,300	6,308,093	2,562,918
1928	6,079,606	2,215,916	6,054,907	2,212,474
1929	6,583,676	1,954,482	6,247,871	1,926,085
1930	6,811,391	1,504,264	5,293,167	1,389,334
1931	6,051,319	1,505,594	4,820,202	1,415,103
1932	8,222,922	2,536,998	7,950,353	2,500,060
1933	14,748,069	3,902,244	14,618,897	3,880,096
Eleven months ended February 28				
1933	10,725,679	3,036,790	10,596,724	3,014,664
1934	7,326,682	1,914,580	7,165,989	1,890,222

Note.—Exports of raw leaf tobacco from Canada for the year ended March 31, 1934, will not be available for about two weeks.

3. Canada's production of tobacco for the years 1920 to 1933, were as under:—

Years	Pounds
1920	32,660,000*
1921	13,249,000
1922	25,948,000
1923	21,297,000
1924	18,711,000
1925	29,266,000
1926	28,824,000
1927	43,917,000
1928	41,976,000
1929	29,886,000
1930	36,717,000
1931	51,300,000
1932	54,094,000
1933	39,400,000

* Census figure.

CATTLE EXPORTS

Mr. GOTT:

1. How many cattle were exported from Canada to the United States of America during the years ending March 31, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, 1932, 1933, 1934?

2. How many cattle were exported from Canada to Great Britain during the foregoing years?

Mr. STEVENS: 1 and 2.

Canada's Exports of Cattle to the United Kingdom and the United States
(Years ended March 31, 1921 to 1934)

	Cattle for improvement of stock	Cattle for dairy purposes, n.o.p.	Cattle, one year old or less, n.o.p.	Cattle, over one year old, n.o.p.	Total cattle
To United Kingdom— Years ended March 31:	No.	No.	No.	No.	No.
1921	–	–	–	131	131
1922	–	–	–	35,418	35,418
1923	–	–	–	25,758	25,758
1924	–	–	–	59,486	59,486
1925	–	–	–	86,245	86,245
1926	–	–	–	117,819	117,819
1927	1	–	–	61,671	61,672
1928	–	–	–	1,222	1,222
1929	–	–	–	405	405
1930	–	–	–	–	–
1931	1	–	–	6,223	6,224
1932	–	–	–	26,734	26,734
1933	–	–	–	24,301	24,301
1934	–	–	–	54,428	54,428
To United States— Years ended March 31:					
1921	1,270	–	72,731	221,278	295,279
1922	644	–	51,257	121,060	172,961
1923	498	–	29,125	199,272	228,895
1924	671	–	25,175	98,322	124,168
1925	643	–	42,319	82,231	125,193
1926	895	–	65,507	105,231	171,633
1927	2,096	–	64,608	89,003	155,707
1928	5,496	–	78,280	200,013	283,789
1929	3,387	21,434	76,720	136,297	237,838
1930	4,061	21,765	85,226	125,280	236,332
1931	2,485	1,744	27,188	1,976	39,393
1932	5,139	5,463	16,423	350	27,375
1933	3,729	3,390	1,894	213	9,226
1934	2,892	2,523	50	159	5,624

TOBACCO IN BOND

Mr. GOTT:

1. How much raw leaf tobacco was there in bond in Canada as at March 31, 1934?
2. How much United States tobacco was there in bond in Canada as at the same date?
3. How many tobacco manufacturers had raw leaf tobacco in bond or storage in Canada as at the same date?
4. How much has each company?

Mr. MATTHEWS:

1. 5,366,295 standard pounds of foreign raw leaf tobacco were reported as being in manufacturers' warehouses, in Canada, on the 31st of March, 1934.

2. Information not available as separate statistics are not maintained in the department at Ottawa as to the amount of United States tobacco in bond.

[Mr. Gott.]

3. 36.

4. The private business of individuals or corporations would be disclosed if such information were given and this would be contrary to the established practice of the Department of National Revenue.

PUBLIC DEBT OF CANADA

Mr. FONTAINE:

What was the amount of the public debt of Canada at the close of the fiscal year March 31, 1934?

Mr. BENNETT: This question will be answered in the budget and full particulars will then be given.

Question dropped.

CANADIAN NATIONAL RAILWAYS—EMPLOYEES OF PENSION AGE

Mr. HURTUBISE:

1. Are there any Canadian National railway employees eligible for pension still at work?

2. If so, how many are there?

3. Are said employees working at the request of the railway officials?

4. How many Canadian National railway employees not eligible for pension, that is, having started to work after forty years of age, have reached the retiring age and are still working?

Mr. MANION: This inquiry was referred to Honourable C. P. Fullerton, chairman of the board of trustees, Canadian National Railways, who has replied that the information requested concerns details of railway administration which are not considered to be of public interest.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MUNICIPAL DEBT DEFAULT

Mr. COOTE:

What amount of municipal bonded debt has been defaulted during the years 1931, 1932, and 1933 in each of the provinces of Canada?

Mr. BENNETT: The government has no means at its disposal to obtain the answer to this question that are not as easily available to the hon. gentleman himself. It involves writing to the appropriate authorities for the purpose of ascertaining anything beyond what may be ascertained by the bureau of statistics, which does not undertake to guarantee that the information received is complete.

Mr. COOTE: I wonder if the government will allow it to pass on the understanding that the information given shall be such as is in possession of the bureau?

Mr. BENNETT: If it stands as an order for return perhaps that will meet the situation.

RESTORATION OF TEN PER CENT SALARY DEDUCTION

Mr. CHEVRIER:

1. By the return of the 10 per cent salary deduction, how many individuals in the following categories of government service will be benefited: (a) revenue postmasters; (b) part time collectors of customs; (c) lighthouse keepers; (d) wharfingers; (e) charwomen; (f) seasonal or part time labourers; (g) lockmen; (h) bridgemen on canals?

2. What were the total salaries paid to each of the above categories during the years 1930, 1931, 1932, 1933?

3. How many employees of the government service in the enumerated classes, or in classified positions under the Civil Service Act will benefit by the return of the 10 per cent salary deduction—giving the number in each class or grade?

4. What were the total salaries paid to the above employees during the years 1930, 1931, 1932, 1933?

EXCISE TAX ON CIGARETTES

Mr. GOTT:

1. What is the present excise tax on cigarettes?

2. (a) When was present rate of excise set; (b) what was it prior to that?

3. How much revenue was raised from excise on cigarettes each year from 1912 (fiscal year), until March 31, 1934?

4. How many cigarettes were consumed in Canada each year from 1912 to 1934?

5. (a) How many cigarettes were legally imported into Canada during the foregoing years; (b) from where did they come?

6. What is the import duty on cigarettes?

EXCISE TAX ON CIGARS

Mr. GOTT:

1. How many cigars were produced in Canada during the fiscal years ending March 31, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, 1932, 1933, 1934?

2. How is the excise tax levied on cigars?

3. What was the revenue each year during the aforementioned years?

4. What was the total revenue in each of these years from the tobacco industry—all branches enumerated?

PRODUCTION AND IMPORTATION OF ONIONS

Mr. GOTT:

1. How many bags of onions were grown in Canada during the past ten years?

2. What is the rate of duty on onions imported: (a) from the United States; (b) from other countries?

3. How many onions were imported into Canada during the past ten years, and from where?

4. How many onions were exported from Canada, and to where?

5. How many acres of onions were grown in Canada each year since 1921?

SEIZURES AND SALES OF AUTOMOBILES BY DEPARTMENT OF NATIONAL REVENUE

Mr. LAFLECHE:

1. How many automobiles were seized and sold by the Department of National Revenue, from 1926 to 1930?

2. What price was paid for each of such automobiles?

3. Who were the tenderers?

4. Of what make were such automobiles?

MOTIONS FOR PAPERS

CORRESPONDENCE BETWEEN DEPARTMENT OF JUSTICE AND W. H. SPROULE, VANCOUVER, B.C.

Mr. MacINNIS:

For a copy of all correspondence, letters, telegrams or other documents, exchanged between the hon. Minister of Justice or any person in the Department of Justice and Mr. W. H. Sproule, of Vancouver, British Columbia.

Mr. GUTHRIE: There are some letters on the file of the Justice department referred to in this motion, but these letters refer only to some of the private affairs of a judge in British Columbia. The public interest is in no way concerned, therefore the government does not propose to produce these letters.

Motion dropped.

INDIAN AGENCY, PIERREVILLE, QUÉ.

Mr. BRASSET (for Mr. Boucher):

For a copy of all accounts, vouchers, bills, lists of payments, receipts, letters and correspondence, respecting item: medical care $1,268.35, hospital charges $3,862.10, and relief $12,028.04 mentioned in the auditor general's report for the year ending March 31, 1933, under the caption of Indian agency, Pierreville, Quebec; also a statement giving particulars with respect to names and addresses, amounts paid, and showing to whom and for whom they were paid.

POSTMASTERS—YAMASKA COUNTY

Mr. BRASSET (for Mr. Boucher):

For a copy of all letters and correspondence between the Postmaster General, the deputy Postmaster General or any official of the Post Office Department, and any person, since August 1, 1930, to date, respecting the postmasters of the following post offices in the county of Yamaska; Pierreville, St-Zephirin de Courval, St-Elphege, St-Francois du Lac, St-Gerard, Yamaska-West, Notre Dame de Pierreville, La Visitation, St-David, St-Guillaume, the dismissal of said postmasters, and their substitutes or successors.

REVENUE POST OFFICES

Mr. VALLANCE:

For a return showing: (1) A list of post offices having revenue of $1,500 to $10,000 (on which salaries are determined), showing revenue for each of the years 1931-32, 1932-33 and 1933-34; (2) casual or automatic pay cuts suffered by each of the postmasters in these offices for each year (exclusive of the 10 per cent deduction).

[Mr. Laflèche.]

JEAN AMEDEE MOTUT

Mr. TOTZKE:

For a copy of all correspondence, telegrams and other documents in the possession of the government, relating to the dismissal of Jean Amedée Motut, postmaster at Hoey in the province of Saskatchewan, and the appointment of his successor.

INDIAN RESERVATION—POINTE BLEUE

Mr. DUGUAY:

For a copy of all correspondence and communications exchanged between the provincial government of Quebec, and the federal Department of Indian Affairs, from 1930 to date, respecting the Indian reservation of Pointe Bleue, county of Lake St-John.

NEW MASSETT, B.C., WHARF

Mr. NEILL:

For a copy of all correspondence exchanged between the Department of Public Works and any person or persons, relating to a claim made against the government for lumber lost through collapse of the wharf at New Massett, British Columbia, in 1918.

PETITE RIVIERE AU RENARD

Mr. BRASSET:

For a copy of all pay lists, in connection with works carried out at the wharf of Petite Rivière au Renard, county of Gaspé, during the years 1931 and 1932; also a copy of vouchers respecting purchases of lumber, iron, and other materials in connection therewith.

RIVIERE AU RENARD

Mr. BRASSET:

For a copy of all pay lists, in connection with repairs carried out at the wharf of Rivière au Renard, county of Gaspé, during the year 1933; also a copy of vouchers respecting purchases of lumber and other materials in connection therewith.

SAINT LOUIS, N.B., POSTMASTER

Mr. VENIOT:

For a copy of all correspondence, reports of investigation and other documents, relating to the dismissal of the postmaster at Saint Louis, Kent county, New Brunswick.

BUSINESS OF THE HOUSE

INQUIRY AS TO LEGISLATION TO BE INTRODUCED

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, may I ask the Prime Minister if he is in a position now to advise us as to the further legislation that is likely to be brought down this session?

Right Hon. R. B. BENNETT (Prime Minister): I was about to say, Mr. Speaker, that I propose to make a statement to-morrow with respect to the matter.

Mr. MACKENZIE KING: In his statement to-morrow will my right hon. friend be able to indicate when the bill with respect to the Elections Act, in particular, will be introduced?

Mr. BENNETT: It is in a forward state of preparation. We have not had a chance to consider it yet, because it has not been completed.

UNEMPLOYMENT AND FARM RELIEF

BILL IN TERMS GENERALLY OF RELIEF ACT, 1933, WITH PROVISION RESPECTING DELAYED RELIEF ACCOUNTS

Hon. W. A. GORDON (Minister of Labour) moved the third reading of Bill No. 42, respecting relief measures.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, the bill now before the house for third reading has been discussed in committee at considerable length, and one or two very slight modifications have been made by the government as a result of representations which have been made from this side of the house. But while the changes in the nature of modifications have at least improved the bill from the point of view of the emphasis to be placed upon the alleged meaning of one or two of the amended clauses, to all intents and purposes, the bill itself remains precisely as it was at the time it was introduced in regard to the powers it gives to the administration, powers which violate the fundamental principles of parliamentary procedure and practice and which are contrary to constitutional usage and right in matters of government. For that reason we must continue to oppose the bill as it stands. Therefore, I am going to propose that before the bill is read the third time, it should be referred back to the committee for further consideration in regard to these objectionable phases.

I might say, Mr. Speaker, that the discussion has served to bring out only one or two additional reasons, from the point of view of the government, as to why these autocratic powers should be reserved to the executive at this time. They are reasons, however, which go to show why the powers should not be given to the government, rather than reasons which should persuade this house to grant the powers requested. One reason that was alleged was that in the United States the executive has been given very considerable powers under recent legislation passed in that country. I dealt with that matter the other day, so I will simply say in further reference to it that in precedents of government I think this house would do well to follow the example of the British parliament rather than the example of the government of the United States. While undoubtedly the government of the United States may under the constitution of that country require certain powers to deal with their own problems, and while they may be right and efficient in what they are doing, our constitution is very different in essential particulars. So far as matters of government are concerned, no country having parliamentary institutions is in a better position to lead others in a right direction than is the British parliament in matters of procedure and practice, and I think we would be much better off and on much sounder ground in every way if where a departure is to be made we cite in this House of Commons British precedent rather than precedent borrowed from the United States.

A second reason that was urged by the Prime Minister as to why these powers should be retained was that some of the provincial executives have taken to themselves additional powers; that they have taken away from their legislatures certain powers of legislation and have given to themselves powers undreamed of heretofore. The government has taken exception to powers being taken in that fashion by the provincial executives. I submit that any criticism to be directed against provincial executives in that regard is equally applicable to everything the present administration is seeking to do, and has done in the past, of a like character. Fundamentally it is a matter of principle, and that principle applies equally to the federal administration and to provincial administrations. I would go a step further and say that in my opinion the argument that additional powers should be given the executive here because additional powers have been taken by provincial executives, in order thereby to give to the federal executive more in the way of bargaining power, is nothing more nor less than contending for the right of competitive arming between federal and provincial governments with respect to executive and legislative power. To endeavour to meet any dominion-provincial problem in that spirit is only going to aggravate the situation and to divide the country on great issues, rather than help to keep it united. If a province exceeds its power, or if it attempts to do anything unconstitutional, the proper method of redress is appeal to the courts, and that method of redress is always present.

Moreover, the federal parliament always has the authority to provide such legislation as may be necessary to deal with any given situation. But to give to the executive authority, simply by the might of its power, to control a situation where it comes into conflict with the executive of a province is to begin a species of legislative and executive warfare which in times like the present will make for more in the way of trouble and unrest, and away from the spirit of unity and good-will which is so essential to a solution of all national, as well as international problems.

The third reason to which the Prime Minister alluded, but which he did not discuss at length, was the possibility in some parts of the world not only of great unrest but even of war. He intimated that where there was such a possibility there was an additional reason why the executive should have exceptional powers. May I repeat what I said the other day, that if there is a possibility of that kind there is all the more reason why we should adhere strictly to the principles laid down in that legislation which already governs with respect to the defence of Canada, and which states what may and what may not be done by the executive at a time of war. There is on the statute books an act of parliament relating to the possibility of war, to all the emergencies which may arise in connection with the necessity for defence and for peace and order, whether it be against a foreign power or with respect to an insurrection or trouble within our own borders. The powers there given to the government are, I believe, ample in every particular to meet any situation which may arise. They have been drafted in the light of all considerations which should be taken into account at times of stress, and they do help to preserve the liberties and the rights of the people of the country against any possible action which might be taken with the best of intention perhaps but, nevertheless, without the exercise of the best judgment.

I would say that if there is any such danger as the Prime Minister described, or if the Prime Minister and the government feel that the legislation with respect to the defence of the country is not ample to meet such a situation, let them propose an amendment to the acts relating to national defence, and the maintenance of peace, and of law and order in the country. Let them give to this House of Commons the reasons why the existing acts should be modified and additional powers given to the executive in that connection. But do not let them at a time like this, and under the guise of dealing with relief, legislate that in addition to the provisions of any existing act, the government may have further powers than those already set forth in existing legislation and the exercise of which may have very serious consequences indeed.

Mr. Speaker, I feel that there is another very strong reason why this house should oppose as strenuously as possible any move to give additional power to the executive, and to a corresponding degree deprive this House of Commons of its rights in matters of legislation and in the control of taxation and public expenditure. We have been giving those powers under the alleged reason that they have been necessary to meet emergent situations. But the giving of them has become part of the common practice. These relief measures are furnishing precedents for other legislation some of which has already been introduced in this House of Commons, and for legislation which may continue to be introduced in subsequent sessions. Such legislation goes still farther in the way of depriving the House of Commons of the control it should have in legislative matters and the control of taxation and expenditure.

Possibly later to-day, or later in the present week another bill will come up for discussion on second reading, namely, that which has to do with the great problem of marketing. When we reach that bill, I believe it will be discovered that the very principles I have referred to as being violated in this legislation are being equally set at naught in its provisions. There again, it will be found that parliament is being deprived of its right to determine exactly what the laws are to be; that this power and duty is being given to the executives or to other bodies not yet in existence. The rights of parliament in many particulars are not only to be turned over to the executive but may even be parted with by the executive and given to groups of individuals not on the basis of representation of the community as a whole but simply because of their belonging to particular occupations or trades or callings. These groups, rather than parliament, are to be the persons to make the laws. which are to govern, and with respect to the violation of which penalties are to be inflicted. And what is still more amazing, and I refer to it in connection with this legislation, is that the measure as introduced goes the length of preventing anyone who believes himself to be thereby aggrieved and to be deprived of his rights from having any redress in a court of law. When we come to the point where legislative bodies and the courts are no longer security

for the rights and liberties of the people, we must realize that the ship of state has drifted pretty far from its moorings, and is in a rather dangerous position, especially at a time of great unrest, such as the present. I believe much effort is needed to bring about more in the way of social justice, more in the way of equitable distribution of wealth, and to secure legislation for the common good, but I believe all of that will be best effected by directing the thought, motive and purpose behind the measures needed to effect these great ends through the channels of our parliamentary institutions, as established and framed in the interests of the great body of the people as a whole. I believe all that is needed can be done more effectively, and in a manner better suited to preserve the rights of all, if it is done in accordance with the known traditions and practices of parliament, as we have understood them in the past, rather than by having parliament divest itself of those rights, and handing them over to untried bodies which are not in any sense of the word representative of the people, either in the communities in which they are to function or in the country as a whole.

I should like to repeat that any bill which gives to the executive blanket authority to legislate with respect to any class of subjects usurps and is completely subversive of the rights and powers of this House of Commons and of parliament. This measure, containing that subversive principle, is one which in its present form we cannot support, and which, in that particular as well as in others, should be amended.

Another point to which we take objection is that by accepting this legislation we would be parting with the control which at all times parliament should have over expenditures and taxation. Where a blank cheque is given an administration, one cannot say that there remains any longer that kind of control which this House of Commons should have over every dollar spent out of the public treasury. All the other proposed expenditures of parliament have been brought before the House of Commons in the form of estimates containing votes for specific purposes and of definite amounts, in each case the expenditures being limited to the period of one year. That time limit is imposed in order that it may be necessary to bring parliament together within the year, to ensure that what is needed by way of revenue will be secured in plenty of time. We are now getting to the point where, under such legislation as that now before us, if the government so desired they could perpetuate its effect more or less indefinitely. The very principles for which men fought at the time of the Long Parliament are the principles which are now at stake. The fact that the government does not intend to use the powers given it in the manner indicated in the measure is not of importance. It is not the intention, but what the statute says which is of importance. No one has emphasized that fact oftener than has the Prime Minister. This statute says that the government may pass whatever orders in council it pleases for the purpose of maintaining peace, order and good government. Under this statute, were there no other safeguard, the government could, claiming the times to be a period of unrest, take to itself the power to prolong the period before which a general election could take place, because it could say: It is not desirable to bring on a general election in such a period of unrest, and therefore under the authority which has been given to us by parliament we will extend the time of parliament for another year. That is indicative of what we are giving the administration to-day in the way of power, and I say that that kind of power should not be given to an administration at any time, for any reason.

But in addition to that, the government has power now and under this legislation will continue to have power to take from the consolidated revenue the moneys of the country under blanket authority, and to pay out the same by filling in the blank cheque to the amounts desired. There is no necessity, with that power existing, and granted power to extend the life of parliament, why parliament should be called together at all, so long as revenues continue to roll into the public treasury. The mere fact that such a condition can be even suggested is quite sufficient reason why this parliament of Canada should not allow the ship of state to drift to that extent from the moorings which alone can secure the safety and the liberty of the people of this country.

Let me go a step further. This measure also contains, and I do not think enough stress has been laid upon this point in the course of the discussion here, a clause which to all intents and purposes sets aside the very functions which the courts of the land are supposed to exercise in protecting the rights and liberties of the people. Not only does it say that the governor in council may make whatever laws he pleases with respect to certain matters, but he may the next day after he has made any such law, repeal and revoke it, and after such repeal and revocation may go on to enact another measure in a diametrically opposite direction, and no redress can be had by the person who has been injured under the

previous legislation. That surely is taking away the last right and the last liberty of the individual. Let me read the section:

All orders and regulations of the governor in council made hereunder shall have the force of law and may be varied, extended or revoked by any subsequent order or regulation; but if any order or regulation is varied, extended or revoked, neither the previous operation thereof nor anything duly done thereunder shall be affected thereby, nor shall any right, privilege, obligation or liability acquired, accrued, accruing or incurred thereunder be affected by any such variation, extension or revocation.

It is one thing to enact a provision of the kind in relation to a known statute, but quite another thing to permit powers of a kind with respect to an unknown order of the governor in council. I venture to say that if this House of Commons was asked to append to a statute a clause that, notwithstanding anything the statute said, it could be altered at pleasure and that there would be no redress for those who might come under its changed provisions, notwithstanding they had suffered ill consequences, you could not persuade the house to put through any such legislation. But what is being done here, is not that parliament is attempting to do anything of that sort while parliament is in session, but we are being asked to give to the governor in council when parliament is not in session the right to do those things which we would not countenance for one minute while parliament was in session. I say, Mr. Speaker, that legislation of the kind, particularly when forming a precedent for further legislation of a similar character, should not be countenanced for one minute by the House of Commons.

There is a further reason why this bill in particular should not be allowed to pass in the form in which it is without something more in the way of control of public expenditures being provided for. Since the legislation was introduced we have had placed upon the table of this house special reports by the auditor general of the results of tests that have been made by his officers into the manner in which public money has been wasted on a colossal scale through the absence of a proper audit of expenditures in connection with relief. That colossal waste has arisen, as has already been indicated, from the lack of a proper, or adequate, and, in many cases, any audit, and from the lack of adequate provision with regard to the safeguarding of the public treasury in the expenditure of federal money. In spite of all that, and notwithstanding that we have had all this waste and danger made perfectly obvious and clear to the members of the house, there is not even another clause added to this bill to protect further relief expenditures, or to secure an adequate auditing of these expenditures.

With all these special reports before us that disclose wherein relief moneys have been used by provinces and by municipalities, not for relief but for purposes of administration, moneys spent out to be accounted for only by padded payrolls, moneys paid out and receipts taken for twenty different payments in the handwriting of one person, with relief money spent for gasoline, for taxation and other things of the kind—I say that, when all of this has been laid before us by the auditor general himself, it does seem that something more by way of protection of the public treasury should be provided.

Just here may I make a statement which will help perhaps to put a phase of this matter in its true light. I notice that in some parts of the country the statement is being made that members of the opposition, and in particular myself, have made certain charges against certain municipalities—for example, I saw a Calgary paper which said that I had charged that the municipality of Calgary had done such and such a thing—and a similar statement was made with reference to the ex-Postmaster General that he had made charges against a certain municipality in New Brunswick. I wish to point out that everything that has been said in this connection from this side of the house, far from being a charge, has been simply in the nature of quotation, supplemented by words to make perfectly obvious and plain the statements that have come from the auditor general of Canada. It is the auditor general of Canada who has stated that this waste has taken place and who has given specific instances. We have not made charges. We are simply saying: Here is the auditor general, the public servant of parliament whose duty it is to report to parliament on matters of the kind, and he has reported thus and so, and his reports give these appalling statements of what has actually taken place.

Not only did the auditor general direct attention to the waste of public money in these special reports; in his own annual reports to parliament, I notice that he also more than once directed the attention of parliament and of the government to the inadequacy of the audit, and to the waste of public money that was taking place. For instance, in his report for the year ending March 31, 1932, which was not laid on the table until 1933 the auditor general says at page xxiv of the introduction:

In addition, test audits, surveys and investigations, of necessity limited in number on

account of the small staff at my disposal for that purpose, were carried out in connection with provincial and municipal relief accounts. Offices in five of the provinces have been visited, viz.: Ontario, Quebec, New Brunswick, Nova Scotia and Saskatchewan. In the course of these surveys and/or investigations, which are ultimately to be carried out in all provinces, comments on which were communicated to the honourable the Minister of Labour, and also, for his information, to the honourable the Minister of Finance, my investigators found that some provincial audits and methods of controlling relief expenditure were either inadequate or insufficiently effective to ensure that all disbursements were made in accordance with the provisions of the acts, the agreements between the provincial and federal governments, and the regulations and directions concerning the relief administration.

So as early as March 31, 1932, we have the auditor general stating in his annual report to parliament that he had advised both the Minister of Labour and the Minister of Finance that the provincial systems of audits were not sufficient to protect the moneys which the provinces were spending, some of it their own money but that reported on, in particular, the federal moneys, and that as a consequence waste was taking place.

The auditor general's report for the year ending March 31, 1933, the one that was tabled this year, contains a reiteration of the same sort of thing. At page xxiii of the introduction the auditor general says:

The provincial audits in most cases—

In most cases, mark you:

—were found to be inadequate and not sufficiently protective against loss or waste of money. These audits were not in all cases conducted by the provincial auditors. An impartial audit of the relief expenditures was however conducted by some of the provincial auditors who also carried out local audits of the municipalities' relief accounts.

All the statements of expenditures received in this office were certified by the respective provincial auditors, in the form required by the Department of Labour.

One of the principal obstacles to the introduction of uniform and efficient methods of administering unemployment relief in all provinces was the insufficiency of directions and regulations, particularly regarding the administration of direct relief by the municipalities of the various provinces. For this reason, there has developed throughout the provinces a great variety of systems, some of them unsatisfactory, of dealing with these expenditures, with the result that the relief moneys were not in all cases sufficiently safeguarded and that waste, abuses, duplication of payments, et cetera, frequently occurred.

When we have the auditor general directing the attention of parliament to the fact that waste, abuses and duplication of expenditures frequently occur, and that these have resulted because there have not been proper directions as to how these moneys were to be expended and how expenditures were to be supervised, surely when this has been brought to the attention of the government in all the different reports, as well as the other reports which have been tabled, before this bill passes this House of Commons there should be included in it a provision which will serve adequately to protect the public treasury with respect to the moneys to be paid out hereafter. This is the last opportunity that we will have to protect the expenditures to be made for the period of another year under this measure. I ask hon. members: Is it right to assume for one moment that these abuses, that this waste and abuses and duplications and the rest of it which has been emphasized so strongly by the auditor general in his reports will not continue unless there is an express provision which will safeguard expenditure of public moneys in the way in which it ought to be safeguarded? It is a most astonishing thing not only that the facts are as I have described them but that members of the ministry should apparently be seeking to mislead the public with regard to the actual control that we have had. That is a strong statement to make, but I should like to read a paragraph of a report of a speech of the Minister of Trade and Commerce (Mr. Stevens) made in Ingersoll on April 13 which more than amply justifies it. This report appeared in the Toronto Globe of April 14, but the same report appeared in other papers. What did the minister say with regard to the question of the expenditure of public moneys in the way of relief? The report reads:

Mr. King's Wednesday evening charge that the government had unconstitutionally taken and distributed millions of dollars for relief purposes was replied to by Mr. Stevens.

"Every single item was brought before parliament," said the speaker, "and was laid on the table."

Mr. BENNETT: That is right; that is true.

Mr. MACKENZIE KING: The Prime Minister says, "that is true." I confess then that I am at a loss to understand the English language.

Mr. BENNETT: It is like reading Donald Sutherland's report.

Mr. MACKENZIE KING: The Prime Minister says that it is true. We have now, with the Prime Minister's words in addition, got all that we need to present the truth of the situation to the electorate. The Prime Minister of Canada as well as the Minister of Trade and Commerce says that

every single item was brought before parliament and was laid on the table. The report continues:

"If he had wanted, Mr. King could have brought before the public accounts committee any one of the items that were piled probably ten feet deep over the three-year period of our administration."

I wonder that the Prime Minister does not say, "hear, hear" to that.

Mr. BENNETT: I think the orders in council would be nearly that.

Mr. MACKENZIE KING: The orders in council did not contain the items.

Mr. BENNETT: Yes, they did; they contained the authorization for the payment of the amounts.

Mr. MACKENZIE KING: There is a great difference between moneys paid out by order in council and moneys appropriated by parliament in itemized form, and that is the whole point of the exception we have been taking to the large sums of money which have been paid out without being itemized. That has been the whole tenor of the criticism from the outset from this side of the house with respect to these expenditures, that they differed from all other kinds of expenditure of public moneys in that the expenditure was not itemized and as such was not subject to the control of parliament. The bill passed at the first session contained a provision that the government should be allowed to expend up to $20,000,000. That was a definite sum in a round figure. But there was no itemizing of the services on and for which that $20,000,000 was to be expended; nothing was said as to how much was to go to one province or how much to another, nothing was said as to what was to go to public works or where public works were to be carried out, nothing was said as to what was to go for other objects, either relief camps or direct relief; it was just a lump sum of $20,000,000 to be spent. Last session an amount was fixed as a maximum, but, with that exception, the different acts have simply set forth that moneys could be taken out of the consolidated revenue of the country to any amount. There was no itemizing of expenditures, no appropriations on the basis of estimates. I say that that was entirely wrong, and it is deceiving the public, and saying what is untrue, when a statement is made that there has been control so far as this House of Commons or this parliament is concerned over the items of expenditure in connection with relief. The truth of the matter is that there has been no control at all. To be told what has already been spent is not to control expenditure. We have only begun to appreciate the colossal waste as a result of the indifference and lack of care and control on the part of the government over these public moneys.

Sometimes a debate of the character which we have had if it effects no other end serves to bring out declarations which otherwise might not have been made. I must say that I was gratified when I read that the Prime Minister had said on Wednesday or Thursday that he was of the opinion that the British North America Act ought to be amended and that social services in the different provinces ought to be taken over and administered by the federal government. This is what we of the Liberal party have been urging all along should be done. If hon. members will read over the discussion which took place in the house during the special session and the sessions of 1931, 1932, and 1933 they will see that with regard to unemployment relief, old age pensions, technical education and other grants in aid, I urged very strongly that there should be conferences between the dominion and the provinces with a view to bringing about financial readjustments whereby there might be turned over to the federal authority the control of social services. I urged that, with this end in view, subsidies should be readjusted in a manner that would be equitable, always adhering to the fundamental principle upon which the compromise of confederation was brought about. Hon. gentlemen laughed at the suggestion. Grants in aid to technical education was one specific case where I emphatically stated that before the government went ahead and appropriated further grants in aid, I thought that they should find out in what position the provinces and the dominion were for the carrying on of technical education, and whether it would not be better to have some of the social services, insurance against unemployment, old age pensions and the like handled as a national scheme rather than having them dealt with by the provinces in different ways, or by some of them not at all.

In connection with old age pensions we had the Prime Minister saying in 1930 that there would be a one hundred per cent expenditure on the part of the federal government—one of the numerous promises that have never been carried out. I stated that I thought the federal government ought to have the administration of the whole of that act. This was just a part of what is known as social service

legislation. I thought that there ought to be a nation-wide scheme and national policy laid down and carried out with respect to insurance against unemployment as well as with regard to old age pensions.

The suggestion from this side has been that any relief scheme, under which millions of dollars were to be spent, should be administered by a national commission broadly representative of all parts and interests in the country; that this commission could gather information and report to parliament and thus help to lay a foundation for the changes in the British North America Act which might be necessary in order to bring about a proper national control of the great problem of unemployment, that the problem might be dealt with by national rather than provincial means.

Mr. DUPRE: The right hon. gentleman's views do not seem to agree with those expressed by the Hon. Mr. Taschereau, premier of Quebec.

Mr. MACKENZIE KING: I am very glad to hear my hon. friend say that here. It is exactly what he and others have been trying to do; they have been trying, by implications, in this matter to raise a prejudice against the province of Quebec.

Mr. MANION: Nonsense.

Mr. MACKENZIE KING: They are trying to bring that about in different parts of the country by having it assumed that the province of Quebec is not going to be favourable to the amending of the British North America Act for any purpose. May I say at once to my hon. friend that I think he rose a little too soon that time; as he does very often, he let the cat out of the bag, and I do not think his speaking as he did has pleased the Prime Minister any too well. Now, however, we know the situation. The ministry opposite are desirous of having it appear that Quebec is not favourable to an amendment to the British North America Act, and that for that reason it will probably not be possible to get an amendment through under Liberal auspices. May I say this to my hon. friend: If he looks at to-day's paper he will find that the Conservative leader in Quebec has taken exactly the same stand as has Mr. Taschereau with respect to maintaining provincial autonomy in that province, so that so far as the question of provincial autonomy is concerned there is no doubt in the world that Quebec in that particular like every other province in Canada is properly jealous of its rights. An amendment to the British North America Act that will be injurious to their autonomy is one thing; an amendment that will serve the interests of the provinces without prejudicing their autonomy is quite another. Where hon. gentlemen opposite make their mistake is in assuming that there will be any opposition to an amendment to the act which will help to relieve the provinces, including Quebec, of some of their burdens, and at the same time relieve the dominion of some of its burdens by avoiding overlapping in matters of taxation, and expenditures of public moneys as is inevitable where one government raises public moneys and hands them over to other governments to spend. That obviously is not doing good to anyone but is doing injury to all.

As regards an amendment to the British North America Act which would deprive the minority in any province of any right which it has, I believe that every province would be justified in opposing to the limit any such amendment. So far as this side of the house is concerned I am quite sure that any effort made in this country to deprive a minority of rights and privileges secured to it by the British North America Act would be strenuously opposed. But an amendment to the British North America Act which does not work any injury to any minority, but rather helps to relieve a majority as well as a minority of a burden it otherwise would have to bear, would be one which should very easily be brought about. If my right hon. friend had done what we suggested in this particular and appointed a national commission to administer relief and to advise him as to what legislation was necessary in order to make more effective a national scheme of unemployment insurance, old age pensions and other social services, he would not have to say what he says now, that the country will have to wait until the election is over before anything is done. He should in the existing situation have had the amendment made over two years ago. The British North America Act should have been amended in a manner that would have satisfied the provinces as well as the dominion. The fact that the Prime Minister has come to recognize that a change is necessary shows some progress, but it required a pretty strong stand and repeated urging on this side before he saw fit to make his statement. I have referred to what I said two, three and four years ago and Hansard will speak for itself in that particular. I shall read to the house what I said as recently as Monday last, a week ago to-day, and which I think caused my right hon. friend, the leader of the government, to make the statement he did on Wednesday.

Mr. BENNETT: What nonsense! I have not even read it.

Mr. MACKENZIE KING: Perhaps someone has told him about it.

Mr. BENNETT: No. The right hon. member flatters himself.

Mr. MACKENZIE KING: We are certainly at last in this happy position that if the Liberal party should at any time be entrusted with authority and seek to have the act amended in order to enable a great national scheme of unemployment insurance or other social insurance plan to be federally administered, the Conservative party through its leader will be committed to that course, and we shall be relieved of that much in the way of opposition. We shall be able to go forward with the endorsement of the present Prime Minister of all that in that particular has been said on this side.

Mr. BENNETT: He has not endorsed what has been said on the other side; he has made his own statement. Do not try the Sutherland report over again.

Mr. MACKENZIE KING: My right hon. friend will hear all he wants to hear about South Oxford to-night. After six o'clock to-night he will be silent about South Oxford for the rest of his life.

Mr. BENNETT: No, he will continue to expose just what was done at South Oxford and he will do it in a few minutes too.

Mr. MACKENZIE KING: If he has the desire to speak, we shall hear from him before six o'clock, because he certainly won't want to say much about South Oxford after that time.

As regards the endorsation by the Prime Minister of what was said from this side, may I read to the house what I said last Monday? I believe it was on Wednesday that the Prime Minister made the statement he would favour an amendment to the British North America Act which would lead to these social services being administered under a national scheme. On April 9, 1934, that is on Monday of last week, as reported in Hansard at page 1983, it will be seen that I made the following statement:

> I urged at the very first session that these grants in aid to the provinces should be stopped pending the calling of a conference between the dominion and provincial governments to see whether it was not possible to have some arrangement made whereby the dominion could assume a large number of obligations for relief in its different forms—social insurance in its various aspects—taking them over as a national obligation and in return obtaining agreements from the provinces to amend their powers of taxation in some directions, or making concessions with respect to future subsidies. My hon. friends opposite will remember that I spoke over and over again about the inevitable consequences of continuing grants in aid at a time like this, pointing out that they meant that sooner or later the public treasury would be depleted beyond all expectation. I was hooted at by hon. gentlemen opposite for repeating this observation so often, but the force of it is coming home to them now when it is too late. I suggested then that we should seek an amendment to the British North America Act inasmuch as this question was likely to present itself with increasing urgency with time. I urged that we should at once take steps, in conference with the provinces, and by whatever course might be deemed necessary, to see whether the British North America Act could not be so amended as to give the federal government larger powers with respect to social and industrial legislation in order that we might have uniformity of laws throughout the dominion, the provinces being relieved of some obligations, having them made federal charges, and the provinces on their part foregoing, if that was equitable, their subsidies either in whole or in part.

Could any declaration be clearer than that? I have made it in different forms during the last four years, and I made it specifically in this house on Monday last. Now the Prime Minister comes along with a statement as though the government were responsible for a policy which would lead to the British North America Act being amended in order that Canada might have a plan of national social service legislation that would serve to bring about more in the way of uniformity among the laws of the country and less in the way of expenditure of public money for the services that are being rendered. At any rate that much of good has come out of the discussion. The rest of it, so far as anything done by hon. gentlemen opposite is concerned, has been only to help to maintain this power of independence of parliament on the part of the executive, instead of seeking to have the executive continue to be as at all times it should be, responsible to the House of Commons and through the House of Commons to the people. In the circumstances I desire to conclude what I have to say by moving:

> That the bill be not now read a third time, but that it be referred back to the committee of the whole with instruction that they have power to amend it by eliminating from it the clause which gives to the governor in council the power, when parliament is not in session to pass orders in council under the provision respecting peace, order and good government, and by eliminating from it such provisions as tend to deprive the House of Commons of its due control over the expenditure of public moneys and taxation.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I do not propose to traverse at length the observations of the right hon. gentleman (Mr. Mackenzie King). I have only to say with respect to what I said in connection with the British North America Act I but repeated what I had said years ago, not last week, nor the week before nor the year before. While it may sooth the vanity of the right hon. gentleman to believe that his observations brought about the statement that I made, I can assure him that what I said was in reply to observations of the right hon. member for North Waterloo (Mr. Euler). I merely stated what it is well known I have stated on several occasions. I think it was rather lacking in a sense of high responsibility for the right hon. gentleman to say that an effort has been made to create prejudice against the province of Quebec. The truth is that the premier of Quebec, following right after the statement that I made in this house, attacked my observations, and in the paper that I read the other evening, the Tribune, a French paper, published in Sherbrooke, the attacks were made against myself and the government because we had suggested that the act should be amended. Under the portrait of Premier Taschereau printed in that paper he was held out as being the champion, the defender, of the rights of his country, the protector of the rights of minorities, while in the statement made by myself in the house I was particularly careful to deal with that very point. I merely mention that because it does seem to me to be unworthy of one occupying the high position the hon. gentleman does, one who has been a Prime Minister of this country, to suggest that in the statement made in this house, which every member of the house heard, an effort is being made to create prejudice against the province of Quebec.

May I go a step further? The right hon. gentleman before he left office called a conference of the premiers of the provinces to discuss the amendment of the British North America Act; and a report was made, which is to be found in yonder library, and it will be found there that the result of his efforts was nothing, absolutely nil. He accomplished not a thing. That record may be read by anyone who desires to read it. The conference was abortive. And the reason was obvious.

Coming into office directly after, when the question of relief became an all-absorbing one, we discussed, as has been known to every member of this house, the question whether or not the federal government or the several provinces should be responsible for the administration of relief. And the several provinces disclaimed any intention to permit the federal power to exercise administrative privileges within their jurisdiction. And it is known in every province in Canada that while some of the provinces were not unwilling that such power should be entrusted to the federal authorities and that there should be a centralized administration of relief, there were others who as strongly insisted that it should not be so. And those others were the most powerful in point of population and wealth in the confederacy. So at that time we did not think, nor do I now, that in a time of distress and depression it would be possible to bring about a successful conference for amendment of the British North America Act when such an attempt failed in quiet times. I think almost every member of this house will agree that that is so. There is nothing new in the statement that the British North America Act should be amended, nor in the statement that I have said it should be amended. My saying so dates back to years before I came to this chamber. I had hoped that at the conference that the right hon. gentleman held when he occupied the position of Prime Minister he would have been able to bring about an agreement as to what the changes should be. But I say to him now, and I say to this house what every member of the house must know, that a federal commission could not function throughout this dominion unless the provinces were willing that it should, and the provinces were not and are not willing. Year after year they have stated that they desire to conduct their own relief measures in their own way, and they have done so. But the devastation wrought in Saskatchewan by nature necessitated federal relief on a very substantial scale, and other provinces were given financial aid for their own purposes and other purposes because if we helped one we should help the other. In other words their contention has been that wherever relief is necessary—and of that they are the sole judges under the constitution—it is the concern of the municipalities first, then the provinces; and the dominion, because of the magnitude of the obligations, makes grants in aid. There could be no national commission administering relief in Canada unless all the provinces were agreed. And the provinces, I repeat, have not agreed, although we were willing to undertake the responsibility. There were some provinces that were anxious that we should, but unless all were agreed, it was impossible. And the right hon. gentleman found at conferences he held in this city with the provinces to bring about

amendments to the British North America Act that he could not and did not succeed. Where in quiet times it was impossible to succeed I suggest that in times of great depression no one would undertake to bring a contentious matter such as that into the realm of discussion with respect to matters of relief.

Secondly, the Minister of Trade and Commerce (Mr. Stevens) is reported to have said that all the expenditures were laid on the table of this house and that the details have always been available to the right hon. gentleman.

Mr. MACKENZIE KING: That is not what he said.

Mr. BENNETT: I did not have before me what the hon. gentleman said.

Mr. MACKENZIE KING: The statement is here.

Mr. BENNETT: I shall be very glad to have it.

Mr. MACKENZIE KING: It is marked in red at the bottom of that page.

Mr. BENNETT: The minister is reported as saying that:

> . . . every single item was brought before parliament and was laid on the table. If he had wanted, Mr. King could have brought before the public accounts committee any one of the items that were piled probably ten feet deep. . . .

I hold in my hand the report of the dominion director of unemployment relief of March 1, 1932, and in that are all the details of the expenditures that were made by the federal government or to which they contributed, page after page, that was laid on the table of this house in 1932. I hold in my hand the report for 1933, the details are there, all the expenditures that were made, in great detail too, giving it by months in this case, month after month. Here is the original of 1930. There in those three reports are the details of federal expenditures and the works to which the moneys of this country were applied in connection with relief measures in detail. To that is to be added that the orders in council that have been laid upon the table of the house have contained a statement of the sums which were taken from the consolidated fund on the authority of the orders in council, for no money can be withdrawn from the consolidated fund except through these orders in council. Every one of them has been laid upon the table. So that with these three reports—I think there is a later one for this year, not yet laid upon the table—with these reports and the orders in council you have a complete record of federal expenditures in connection with unemployment relief.

Mr. EULER: Do the reports to which my right hon. friend refers include not only the expenditures made directly out of the federal treasury on federal works but do they also include details of expenditures made to which the federal government contributed through the provinces?

Mr. BENNETT: Just to show that at least one distinguished member of this house has not given much attention to these matters let me refer to the statement having to do with the province of Ontario, at page 38. I find the heading, "Municipal Works," and there are four columns giving the municipal, provincial and federal proportions and showing the total expenditure. Here are the statements as to each individual work.

Mr. EULER: Not in detail.

Mr. BENNETT: The same detail that occurs in every other statement made to this house. The schedule number is shown, and I find all the different headings; provincial works, trans-Canada highway, Manitoba municipal works, and so on. There are pages of these municipal works, giving all these details. The point that was made by the Minister of Trade and Commerce (Mr. Stevens) was this, that had the right hon. gentleman desired to bring the public accounts committee together of course that committee would have dealt with all these matters, but that committee has never been called into session since these relief measures were begun.

Mr. MACKENZIE KING: It was asked for the other night.

Mr. BENNETT: Certainly, and I agreed to the request made by the right hon. gentleman. When I was in opposition the public accounts committee, if called into session at all, was called at the instance of the opposition. The opposition is the body that investigates. Have they investigated a single expenditure? Have they called the public accounts committee together? Have they taken any of the steps that by the constitution are provided? Have they taken the steps indicated under the authority of Colonel Durell and of Redlich? The public accounts committee is the committee to deal with this matter. When I hear the right hon. gentleman cry aloud, in the name of freedom and of liberty, I recall the words of the great poet:

> And freedom shrieked—as Kosciusko fell!

Notwithstanding all that, my right hon. friend has not seen fit to do more than just talk; that is all. He never even suggested that the committee should meet to deal with these matters. I do say, sir, that the Minister of Trade and Commerce was absolutely right when he said, "Here are the details" and these details are fuller than is usual with respect to expenditures of this kind. The schedule number is given in each instance, and the orders in council under which the sum totals were paid have been filed in this house.

Mr. MACKENZIE KING: May I interrupt my right hon. friend for the moment? He referred to Durell and Redlich in the matter of the control by parliament of expenditures. What Redlich and Durell say is that parliament should insist on itemized amounts at the time moneys are being appropriated and before the expenditures are made. That is the only real control parliament can have.

Mr. BENNETT: That is what I used to say to the right hon. gentleman about the Montreal harbour bridge. It is passing strange how interested he becomes in these academic applications of principles when he is out of power. It is passing strange how he neglects them when he is in office. It is passing strange that he should talk about a blank cheque to-day when he took from parliament a blank cheque under which more than $19,000,000 was spent, without anything being indicated as to how large the amount was to be when he took the cheque. Why this sudden conversion? Have we converted him by what we have done and said so that he realizes the necessity now of relying upon parliamentary control in dealing with these matters? I could name many other instances which occurred when he was in office; there is nothing new about this method. Whenever he wanted to do it in connection with railways he did so. What about the three steamships built on the Pacific coast, the three steamers about which the Minister of Railways said he did not know the money was to be spent for that purpose? What about the order in council for the hotel that was to be built in Vancouver, in connection with which the expenditure has amounted to twice the sum contemplated by the order in council, which was cancelled? What about these things? "Consistency, thou art a jewel." When I hear, in that perfervid oratory of the right hon. gentleman, talk about the departure from principles and the injury done to the body politic, and how future generations will rise up with these precedents to the great danger of democracy I ask who, for nine years, taught democracy the lesson? Look at that harbour bridge in Montreal. When the Minister of Finance delivers his budget address he will show that one of the reasons for putting a tax upon the Canadian people was to find half a million dollars for that bridge, after giving credit for the amounts received from the province of Quebec and the city of Montreal. Was there any talk then about Durell? Were there any observations then about Redlich? Were any statements made then about the necessity of putting in the measure the sum of money to be spent? And what is more there never has been the audit that was provided for in this case.

These are facts to which I direct attention; that was fact No. 2, and now I proceed to deal with fact No. 3. It is said that the blank cheque is detrimental to the interests of the country as a whole. The other evening I explained that any statement in a bill that a minimum sum of money is available is but an invitation to the provinces to see to it that the whole of that sum is expended. I did not expect then to receive approval from such a high source as the former Minister of Labour (Mr. Heenan), who stated that this was the most powerful argument that could be made against stating a specific sum, and that he wholly agreed, that this was his view also. Most thoughtful men believe this is so. So far as peace, order and good government is concerned, I merely point out in regard to this matter that it has been discussed and re-discussed and that everything has been said about it that could be said. The right hon. gentleman has been even reading his own speeches to this house lest we forget what was said on previous occasions. This afternoon we heard him read the speech he made on Monday last, only a week ago. The hon. member for Kenora-Rainy River (Mr. Heenan) read three of these speeches by the right hon. gentleman the other night, so altogether it seems to me that Hansard will well preserve all that might be usefully said with respect to this matter.

Now I should like to say a word with respect to the audit. The right hon. gentleman has said that the auditor general made certain test audits, on the strength of which he wrote letters. I say, as I said in the house the other evening, that the facts do not warrant the allegations made by that gentleman; I say that frankly. Here is the document upon which the Minister of Labour was supposed to act, in part; it is the report of the Department of Labour on direct relief expenditures in the province of Ontario.

Exhibit A is the report to the Minister of Finance dated December 27, 1933, and signed by Georges Gonthier, auditor general. I find here a report to the auditor general from Edmund E. Stockton, dated August 15, 1933. Mr. Stockton was named by the auditor general as his representative to make the investigation in Ontario. Mr. Stockton made the investigation; he made his report on August 15, 1933, and so little did the auditor general regard the irregularities that he sent it to the Minister of Finance on the 27th day of December, 1933. That was the nervous anxiety he felt for the body politic in the expenditure of public money; the report was not transmitted to the Minister of Finance until December 27. Then I turn to the report itself; I think it might be well to look at it, because some parts of it are very important. These audits were made by Mr. Stockton in the following communities:

Almonte	Orillia
Arnprior	Oshawa
Barrie	Perth
Belleville	Peterborough
Bowmanville	Pembroke
Brampton	Port Hope
Brockville	Prescott
Carleton Place	Preston
Cobourg	Refrew
Cornwall	Smith's Falls
Galt	Stratford
Guelph	Trenton
Kitchener	Waterloo
Lindsay	Whitby.

After going into the accounts of these municipalities and pointing out some minor improvement, these are the closing words of his report, which appear at page 4:

> Subject to the above observations I am of the opinion that in the municipalities visited the inspection and audit by provincial inspectors is sufficient to safeguard the interests of the federal treasury.

Those were his words. Then, the last paragraph:

> I desire to express my appreciation of the courtesy extended to me by the various provincial and municipal officials and others whom I interviewed during my visits to the offices mentioned in this report.
>
> Respectfully submitted,
> Edmund E. Stockton.

He goes on to describe the methods which have been adopted, and to show what was being done by the inspectors to ascertain whether or not expenditures were in proper form. That was the summary he made.

Now, I put this to the House of Commons again: The auditors of the provinces in my judgment are men of reputation and of honour, and I have no reason to believe that the municipal authorities are other than men of honour. The provinces being responsible for the expenditures, in the sense of having undertaken by agreement to supply us with certificates signed by provincial auditors and by the provinces themselves, I still believe that the federal exchequer was properly protected. And if it had not been, as I indicated the other evening, the provinces must refund us the money. The auditor general's letters have been very sweeping in their statements, and he will have to endeavour to justify them before the public accounts committee. If they are not different from what I have seen he will have great difficulty in doing it. That is the other side of the question. Why have we had delays in receiving accounts from the province of Quebec? Why did we not receive any accounts from July until only the other morning? Why? Because the province of Quebec has an auditor who was not willing to certify accounts until he was satisfied they were correct. He has not certified accounts which he did not believe were correct. That was the reason for the delay,—because he had to satisfy himself. He knew he was pledging himself, his reputation and his name to this particular matter. There is the story. All I can say is this, that to assert there has been negligence requires greater proof than I, at least, have seen evidence of. If there is one thing in the world I have endeavoured to be particularly careful about, it has been the administration of the finances of this country. When I say that in every instance a certificate was prepared we provided that there should be a certificate by the auditor of the province, and signed by the province, I believed that we had taken all the steps which were necessary. It may well be that there may be some deception here and there. I suppose it is within the memory of hon. members in this house that even in the Dominion of Canada auditors have been deceived extending over a period of years, and that the offender was at last found out. There is no promise of infallibility either in connection with the man who spends money or the man who checks the expenditure of money. All one can do is to ascertain the extent to which sound business rules have prevailed. Where there were expenditures made by the municipalities and certified to by the provincial auditor, that the total expenditure was x and the share of the dominion was y, and where we paid y because of the certificate given by the auditor of the province, it would be difficult to say that in that step there was any fraud or negligence, or a disregard of ordinary business rules. It may well be, as shown in connection with the prosecutions carried on in the province of Ontario, and one or two other provinces, that there were individuals who

endeavoured deliberately to defraud the country. But the fraud was on the municipalities and the provinces, and when the provinces found it out they took the necessary steps to expose it. So far as our accounts are concerned adjustments immediately followed, because we are in the happy position of being able to retain moneys which by investigation it is found have been improperly paid to the provinces, it being remembered that the cheque of the dominion goes to the provinces and not to the municipalities. Therefore, as between the provinces and ourselves, any difficulty of that kind can be overcome.

There is another matter to which I was rather surprised the right hon. gentleman referred. He read from section 7 of the bill now before the house, and if he had taken the trouble to look at the interpretation act he would have found that the section in this measure is that found in all such statutes. It merely provides that anything which has been done by regulation, before it has been repealed shall not be vitiated by reason of the repeal. It is a standing rule of interpretation in our statutes. The section is as follows:

All orders and regulations of the governor in council made hereunder shall have the force of law and may be varied, extended or revoked by any subsequent order or regulation; but if any order or regulation is varied, extended or revoked, neither the previous operation thereof nor anything duly done thereunder shall be affected thereby, nor shall any right, privilege, obligation or liability acquired, accrued, accruing or incurred thereunder be affected by any such variation, extention or revocation.

It is true that the right hon. gentleman is not a member of the legal profession, but he has had a wide experience, and he graduated in law. He knows well, or should know, that that provision is found in the revised statutes of our country, and is a rule in interpretation which has statutory force and effect. It has to be included in all matters of this kind. Wherever a statute provides that regulations shall be made under its provisions, this clause is inserted to protect those who act under the regulation before it has been either amended, revoked or altered. That is all there is to it.

But, much as was my surprise that the right hon. gentleman should make such observations as he did with respect to section 7, I confess I cannot understand why he should have suggested to this House of Commons the possibility that under the provision for peace, order and good government we could extend the lifetime of parliament. Who knows better than he does that that is in the British North America Act; who knows better than he does that that is an imperial statute; who knows better than he does that a delegated power conferred upon an executive can never be higher than the power granted to the parliament which confers it. As this parliament itself could not extend its lifetime, except under the provisions set forth in the British North America Act, it did seem to me to be playing rather small politics to suggest to the people of Canada that under the provision for peace, order and good government this government could extend the lifetime of parliament. I think that careful—shall I say thoughtful—people who read that statement will place a great discount on everything which the right hon. gentleman has said. For it cannot be suggested that anything is added by way of argument when one suggests something which every hon. member in this house knows cannot be done by this parliament itself, much less by the executive, under a delegated power.

Then the other suggestion was that we had taken the power to disallow provincial legislation, under the grant of power to legislate for peace, order and good government. There again it must be obvious to even the most thoughtless member—if there are any, and I trust there are not—that it would not be possible for us to exercise any such power.

Mr. MACKENZIE KING: I made no reference to disallowing.

Mr. BENNETT: I said it was suggested; I did not say the suggestion was made by the right hon. gentleman. The power of disallowance is in the British North America Act itself, and that statute stands until it is amended by the power which created or enacted it. We cannot amend it; we cannot alter it; we cannot repeal it. The power that is there conferred is a power that this legislation does not touch, nor does this legislation touch any power which is in the constitution to be exercised by the parliament at Westminster, nor does it touch any powers that are conferred by the constitution exclusively upon the legislatures. What it does is, within narrower limits than those suggested by some hon. gentlemen, to confer upon the executive the power to make regulations for the peace, order and good government of the country under conditions in which it may seem necessary to the executive to exercise such power. But those powers as defined by the privy council are much less broad than some hon. gentlemen have suggested. I cannot in the very nature of things make a legal argument to this house showing that the limitations imposed upon the words are far greater than would occur to the ordinary individual not trained in the inter-

pretation of the constitution. If hon. gentlemen are interested they will find that they are the opening words of section 91 of the British North America Act itself so far as the power is concerned, and the enumeration of the powers in section 91 is an enumeration of powers that does not limit the generality of the terms of the general power conferred. The jurisdiction conferred upon the executive by this parliament under peace, order and good government is, as I have said, under the decisions of the privy council a rather restricted jurisdiction. But it is sufficient to serve our purposes in the event of any untoward circumstances requiring the exercise of such power.

The other matters that were referred to I think have been sufficiently dealt with in what has already been said in other years with respect to this legislation. I repeat, this legislation is not sought for any purpose other than the public good. I repeat, parliament is being asked to confer authority upon the executive peradventure it might be required. If necessary it is there.

I am not going to follow the example of the right hon. gentleman and discuss the marketing bill which stands for second reading to-day. But this I will say, that in all the legislation that was passed during the nine years the right hon. gentleman was in office, wherever it became essential or necessary to clothe the executive with power to make either regulations or rules or to do any acts that might be essential for the well-being of the country, that power will be found conferred upon the executive. No hon. member can tell me that there is any difference between conferring an unlimited power upon a harbour commission to guarantee bonds for the construction of a bridge and the conferring of power by the parliament of Canada upon the executive to take necessary action to provide relief for Canadians who are in necessitous circumstances. The principle is the same. Then why not frankly admit it and say: The principle is the same but we think that this power may peradventure be abused.

I said the other evening, and I say now, that no hon. gentleman can point to a single abuse of that power nor to any usurpation of authority nor to any deprivation of rights nor to any effort, successful or unsuccessful, on the part of the executive to do any act or thing except for the good of this dominion—not one; and I repeat that, in order that there may be no misapprehension with respect to the matter.

I have spoken at greater length than I anticipated but when one realizes the unreality of a discussion such as this, realizes that all these things that are now being condemned were once being done by the right hon. gentleman who now condemns them and that he would have to do them again to-morrow if he were similarly situated, that all these high heroics and histrionic efforts are, shall I say, but a passing phase of the work of an opposition that regards it as its sole duty at all times to oppose, when it is suggested that because of something said in this house last week this government or myself have learned something—I am always learning something, Mr. Speaker, and I trust that I always shall as long as I live—but with no desire to cast aspersions on the right hon. gentleman at all, I say to him that I have not learned anything from him with respect to matters of this kind. I say that without intending offence. When he suggests that because of something he said in the house last week I have changed my mind, the chances are that because he said it my mind would be more likely to remain just where it was. He should not betray his anger and annoyance because there are others who have as advanced thoughts as himself—

Mr. MACKENZIE KING: I did not say changed his mind; I said cleared his mind.

Mr. BENNETT: —and because others may have thought of these things even before he did. He should not think he has a copyright on ideas and a patent on expressions, and I suggest to thim that he be tolerant enough to believe that there are others who sometimes think and have views and opinions; and because others have thought and concluded and expressed their conclusions, if they agree with his own it does not follow that they have come about by reason of listening to what he said. That is what he asks this house to believe, but I think it would be placing too great a strain upon the credulity of the house and the country to believe it. With that I shall leave this matter, Mr. Speaker, believing that it is more important to get the third reading of the measure than to discuss further the heroics of the right hon. gentleman.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I have had very little to say with respect to the measure now before the house. I do not desire to detain the house on the third reading of this bill but I should like in a word to make the position of some of us clear with regard to our votes upon it.

This is a case in which one might perhaps almost be justified in giving either an affirmative or a negative vote. We are anxious to

have a very large measure of relief, the largest measure of relief possible, and for that reason we might very well welcome a bill of this character.

Further, I have not been tremendously impressed by some of the arguments advanced by the official opposition. I do not desire to discuss to-day the question of democracy. In my judgment democracy does not necessarily mean that every measure must be submitted to parliament or to the people. Democracy in my opinion is not at all inconsistent with prompt and efficient action on the part of the executive. But I have to oppose this bill because I believe it is hopelessly inadequate as a relief measure. After all these years, when the government have had full opportunity of working out some constructive scheme, we are still simply being asked to acquiesce in the general idea that the administration is going to do something about the situation. When the measure was first introduced I pointed out that we had had no definite intimation as to what the government proposed to do with regard to a program of public works. I think we ought to have had that at the very beginning of this session. No hint of it is contained in this measure.

Further, we have had before us for many years the promise that there would be some kind of unemployment insurance scheme during the lifetime of this administration. There is nothing whatever contained in this measure with regard to that.

We have had this present government denouncing the dole and yet itself resorting to one of the worst forms of the dole that I have ever heard of, a dole that is absolutely insufficient to provide for the needs of large numbers of Canadian families in this country. I receive daily the most pathetic letters asking that something should be done to help to prevent the breaking up of homes and to give adequate food to the children of the citizens of this country. I do not consider that the measure now before us provides that kind of thing and because I feel it is inadequate, I cannot vote in favour of it.

I object to having these wide powers for peace, order and good government interjected into a relief measure. If we were facing a great emergency it might be necessary for the government to assert certain of the powers which it has under the British North America Act, but I protest once more against a government taking powers of this kind under a relief measure. For these reasons, some of us will have to vote against the bill although we are most heartily in favour of a relief measure.

Mr. WILLIAM DUFF (Antigonish-Guysborough): Mr. Speaker, the Minister of Labour (Mr. Gordon) in whose name Bill No. 42, respecting relief, stands has moved that the bill be now read a third time. The leader of the opposition (Mr. Mackenzie King) has moved an amendment that it be sent back to the committee. Before a vote is taken I should like to take a few moments in making an explanation to the Minister of Labour of something which occurred in this chamber a few days ago when the bill was being discussed in committee. At that time I had received word from my constituents asking me, as a member of parliament, to bring before the government the need of certain relief for which they were asking. I desire to assure the Minister of Labour that in doing this I did not intend any discourtesy either to him or to any member of the ministry. My constituents who were represented by the mayor and town council of Canso also did not intend that there should be any discourtesy towards the Minister of Labour or the members of the government. It was pointed out that this matter should have been brought to the attention of the ministry direct and in order to show that the town council of Canso were considerate in the way they brought forward this matter, I should like to read a dispatch which appeared in the Halifax Herald of April 13, 1934. This is dated Canso, April 12, and reads:

> A special meeting of town council was held Tuesday to decide what action would be taken to help fishermen obtain gear. After considerable discussion, a resolution was passed that the federal government be asked to establish a fund of not less than $15,000 under the proposed marketing and credit legislation, through a system of loans for purchase and equipment of boats. Copies of the telegrams were sent to Hon. E. N. Rhodes, Minister of Finance; William Duff, M.P. for Antigonish-Guysborough and William A. Found, Deputy Minister of Fisheries.

In addition to my receiving the telegram which I read to the committee, according to this dispatch the Minister of Finance (Mr. Rhodes), who is the minister from Nova Scotia, received a similar telegram as did the deputy minister of fisheries. No doubt that latter gentleman passed on the telegram he received to his minister, the Minister of Fisheries (Mr. Duranleau). In addition to my receiving this information, it was forwarded to members of the government which I think proves conclusively that the mayor and town council of Canso did not intend any dis-

courtesy in the manner in which they brought up this matter. The dispatch continues:

Yesterday Mayor Croucher received a reply from Mr. Rhodes pointing out that there is at present no legislation and no vote available which would enable the requested assistance to be rendered by the federal government and suggesting that as the matter appeared to be urgent the council approach the provincial government.

It is not my purpose at this time to discuss whether this should be done by the federal or by the provincial government, my only purpose being to show the Minister of Labour that no discourtesy to him or to any other member of the ministry was intended by the town council. In connection with the criticism of the manner in which I brought up this matter, I should like to read a telegram which I received on Saturday morning and which I think proves conclusively that as far as my constituents are concerned they think that I did the right and proper thing in bringing up this matter when the relief measure was under discussion.

Mr. MACDOUGALL: We all admit that.

Mr. DUFF: The hon. member for Inverness (Mr. Macdougall) admits that and he agrees with what the mayor has to say. The telegram is addressed to me and reads:

Canso appreciates your championship our cause. Herewith copy message sent to premier to-night. "Canso resents implication that presentation our case unfortunate as reported in daily press. Matter was presented to Honourable E. N. Rhodes, deputy minister of fisheries, and to William Duff our representative and feel Mr. Rhodes should have informed house to this effect. This is matter in which politics should play no part."

The telegram ends with the word "regards," which I presume is intended for myself, and is signed by L. R. Croucher, Mayor of Canso. With this explanation I hope it will be realized that in bringing this matter to the attention of parliament I was doing only my plain duty to my constituents.

Hon. CHARLES MARCIL (Bonaventure): Mr. Speaker, I was very much interested this afternoon in listening to the definition given by the Prime Minister (Mr. Bennett) of the constitutional rights of the dominion and the provinces. I was interested also in the answers which the Prime Minister gave on Friday evening to a question put by the hon. member for Vancouver-Burrard (Mr. Hanbury). It should not be forgotten that the dominion is the creation of the provinces. There never would have been a dominion government and we would not be now sitting in this house if the provinces of Ontario, Quebec, New Brunswick and Nova Scotia had not agreed upon our creation. The powers which we exercise here were exercised formerly by the provincial governments—our powers are delegated powers. Quebec has been mentioned and I would say that the rights of that province are common to all provinces.

The greatest fights since confederation have been carried on by the English-speaking provinces. The warrior bold and the great champion of provincial rights was Sir Oliver Mowat who downed Sir John A. Macdonald in connection with many bills with regard to provincial rights. Who forgets the great fight carried on by Manitoba with regard to its educational rights? Who forgets the great fight carried on by New Brunswick on that same question? It is strange, but it happens that in this country the greatest fights we have had have been on the educational question. The population of Canada is composed mainly of two of the leading races of the world. Without Quebec there never would have been a confederation because Quebec, being situated in the middle, immedately between the maritime provinces and Ontario, consented to confederation, and in doing so gave up many rights. When Quebec consented to confederation it was in full possession of its powers, but it abrogated many of them in the hope and with the promise made to Sir George Etienne Cartier, Sir Etienne Paschal Taché, leaders of the Conservative party in power at that time, to Antoine Aimé Dorion, to the Fourniers and the others, that not only the letter but the spirit of the law would be respected. I am proud to be able to say that to-day it is the boast of my province that it has carried out that undertaking of confederation not only to the letter but in the spirit also. If anybody wishes to be informed on that point, let him go to Quebec and inquire of the English-speaking citizens of that province; let him inquire of the Council of Public Instruction, the Protestant section, how the educational law is being carried out there and he will find in Quebec a breadth of view which I hope will some day prevail in every province.

Let us remember that we are Canadians. We are all proud of the country from which we sprang. Those who came from French stock have nothing to be ashamed of nor have those of British extraction. While we have had in this country men from all races, the French Canadian has played his part, not only in establishing this dominion but in its constitutional development; in the parliamentary field no man has ever surpassed those who have been produced by the French Canadian

people. Of course Quebec was then a minority; it is a minority still and when questions arise as to amending bargains, constitutions, contracts, because the terms of confederation after all constitute a contract, it is only fair and reasonable that the people who will be primarily affected do not want to consent to any radical changes without knowing what they mean. I was glad to hear the Prime Minister (Mr. Bennett) say to-day that this is not the time, when the country is in the position it is, to undertake to bring about those changes in a haphazard fashion or merely for the purpose of bringing them about. If you want to do anything in this or any parliament, the legislation which you may introduce must be backed by public opinion. If we had had the same cooperation at the beginning of the war as we had later we would have avoided many unfortunate happenings. War was thrust upon us by Germany; we did not seek it. I was not elected in 1911 to go to war with Germany; I had no mandate from my constituents to send one, two, three or half a dozen contingents overseas, but we had no choice; we were at war. Canada was a British possession and had Britain been defeated, the German warships could have ascended the St. Lawrence and laid in destruction every town and village in our province. We had to face the ordeal as it existed.

Canada, like all other countries, especially like all confederations, will survive only if there is mutual give and take. If we want our rights respected we must respect those of others and I am glad to know the feeling of the leaders of the two great parties in this house and even of the third leader, because the leader of the C.C.F. has spoken along the same lines, in regard to tinkering with the constitution. The constitution has been amended on several occasions, and I have been in the house when amendments have been made. That was done by consent. Many amendments to the British North America Act are to be found in the statutes, but they were probably agreed to by the dominion and the provinces themselves; there was no trouble about that. The people of any province, when a matter is brought to their attention and it is shown to be necessary in the public interest, will consent to an amendment. The constitution, of course, is not the laws of the Medes and Persians; it can be amended, but it can be amended only with the consent of the provinces because it was made with their consent, and under the rules of any game, no contract can be changed without the consent of the parties interested.

I am an old timer. When I came into parliament in 1900, we could not vote a dollar without its being placed in the estimates, passed through committee of supply and committee of ways and means and put down in black and white. I have heard debates here last for days and days in regard to very small amounts, a question of principle being involved. In the past parliament has abrogated its rights and we are abrogating them again to-day. The Prime Minister has said that no attempt has been made to go beyond the terms of the power that he has; that in what he desires to do there has been no abuse contemplated. But the principle is there. By the measure we are passing to-day we are putting into the hands of the cabinet, a committee of parliament, power to do anything they like to do under the sovereign for the peace, order and good government of Canada. That covers the whole field. In other words, it is a repetition of the War Measures Act. That act, which I opposed in the house and which was strongly opposed by the Liberal party generally, gave to the government of the country full power of awarding contracts without tenders and, in fact, of doing anything under the sun. Under this clause the same power is being taken to-day and that is the main objection I have to the measure. We are all in favour of relief; we have all said so and we say so again, but something which should be sacred in every parliament is that the authority which raises taxation should have control over the spending of the money. We are abrogating that right. A great deal of federal money has been spent in my constituency; we have to vote for it but it is expended by the provincial government. The people of my constituency elected me to represent them in the federal parliament, but we simply raise the money here, send it to another government to spend and then, when the spending has been done, we are called upon to vote for an expenditure about which we know nothing.

This is on a par with the administration of our railways. We were told only a few days ago that the committee that looks into the estimates of the Canadian National Railways would be called. I have asked in parliament many questions that as a representative of the people I have to ask as to how this money and that has been spent and how much has been spent in my constituency. This question concerns fundamental principles of government. I have been, however, refused an answer because I am told that it is not in the public interest. We have taken the creatures, the servants of this house, this parliament, and

we have placed them above us, whether it be the chairman of the international joint commission, or of the railway commission, or of the pension commission, or of the civil service commission, or of any of the, I was going to say, one hundred and one commissions that we have created, because we now have government in Canada by order in council and by commissions. We have abrogated our rights, and that is contrary to the very essence of parliamentary government. The principles involved would take too long to state and explain now, nor is this the time to do so. I merely want to register another protest against departing from a principle which has been sacred in the history of the British constitution. It was asserted in England for generations and for centuries that there should be no taxation without representation. The people's representatives secured control of the public purse, and at the close of every parliament the last words that come from the representative of the king are the assent which he gives to the supply bill. Now we are abandoning that control. Those who come after us may blame us for that, but we are doing so voluntarily, except those of us who protest, of whom I am one.

Not only are we going to advance money to the provinces, which of course is a way of giving to the provinces money that we should spend ourselves, but the government are taking power to grant money by way of loans, guarantees or otherwise, to the Cooperative Wheat Producers Limited. Then why should they not do so for the fishermen's associations and for the various associations of farmers in the eastern provinces? It may be said: Well, wheat is the great product of the country; millions of dollars worth are produced by the western people. As the Prime Minister said the other day, there is no country in the world in which so much wealth has been raised by so few people in so short a time as that from the head of the great lakes to the foot of the Rockies, the great wheat fields of Canada. During all my time in parliament I have been prepared to support all measures for the benefit of the west. Let us never forget that it was the Liberal party and its policies which placed a million people in that western country. I had the honour many years ago when I was deputy speaker of this house of attaching my signature to the bills creating the provinces of Alberta and Saskatchewan. So the Liberal party did what it could for the west in those days. To-day it is being blamed in many speeches for building too many railways. There was a time when every member from western Canada was predicting that one transcontinental railway was not enough, that two were necessary and that the time would come when half a dozen would not be too many to carry the output of that great prairie country. The west is but beginning after all. How much is under cultivation at the present time? Not more than fifteen or twenty per cent of the land that could be made productive. But that is another question.

I want to refer to the wants of my own people. As I said on Friday, I have received over a hundred petitions from all parts of the province of Quebec, signed by farmers, in favour of the fisheries of the Gaspe peninsula and of Quebec. I want to read just one of these petitions so that it will be on record and in the hope that when the Prime Minister comes to afford the relief he intends to afford under this bill he will not forget the settlers in this country, whose ancestors came to Canada many years ago, and who are now in deep need; men who have not been favoured with the bountiful crops raised in the west, who do not possess such fertile lands, but who nevertheless have stood by and done their share for the upbuilding of Canada. I should like to see the government do what it can under these relief measures to bring about a better understanding between the dominion government and the provincial government regarding this moot question of the fisheries of Quebec, as to which at present there is conflict. In view of the appointment by the Prime Minister of the committee on price spreads this question should be inquired into in the maritime provinces as well as in Quebec. I think it my duty to read this petition.

Mr. SPEAKER: I do not wish to interrupt the hon. member, but that is not the way to present a petition to the house. There is a proper method of doing so, as no one knows better than the hon. gentleman.

Mr. MARCIL: This is not a petition addressed to parliament, it is rather in the shape of a resolution adopted by these people. I want to read it so that the government may be apprised of the situation in which these people find themselves.

(Translation):

Maritime fisheries of the Province of Quebec.

Whereas the maritime fisheries of the province of Quebec, located on the St. Lawrence river, the Gulf and Bay des Chaleurs, interest a population of at least 100,000 souls partly depending on the fisheries for a livelihood.

Whereas, since 1922, the government of the province of Quebec have taken over the fisheries on the high sea.

Whereas it is difficult for the Quebec government, without aid, to give the service supplied by Ottawa, in connection with maritime fish-

eries, because such service already exists with its program, experts, scientific institutions, coast-guard vessels, assistance to fishermen and many other facilities which are impossible for the Quebec government to undertake side by side with that established by the Dominion government.

Whereas the federal service extends to the other provinces where fishing on the high sea is carried on, moreover, this service, so highly organized, is partly defrayed by the taxes paid by Quebec and from which the latter receives no benefit.

Whereas the organization of the maritime fisheries on a more profitable basis for the fishermen of the province of Quebec, the theoretical and practical instruction, the establishment of purchasing and marketing co-operative associations can be better undertaken through the medium of the dominion authorities.

Consequently the people of the province of Quebec who depend on our martime fisheries are at a market disadvantage compared with other fishermen of British Columbia and the three maritime provinces.

Therefore, it is moved by....

Seconded by....

And resolved:

That the associations of "l'Union catholique des cultivateurs" on behalf of their members, request the cooperation of the dominion and provincial governments to improve the lot of the maritime fishermen of the province of Quebec.

We respectfully insist that there should be some arrangement between the said governments this year, and we further request if it is necessary, the repeal of the 1922 order in council transferring the exclusive control of the maritime fisheries of Quebec to the provincial government.

We make this request from a purely human, economic and national viewpoint.

We, therefore, beg of the Minister and members, both federal and provincial, to examine this question on its merits, so that both governments may come to an agreement in this connection.

Briefly they ask that there should be co-operation between the federal and the provincial governments in coming to the relief of the fishermen of Quebec who are now in a very, very difficult position. I hope the government will give effect to this view and bring about an understanding by conciliatory methods with the province of Quebec. Quebec at the present time is administering its inland fisheries, but in the maritime part of the province the fisheries were left under the control of the dominion, the Magdalen islands for instance. Naturally the inland fisheries are a matter for the provincial government, but the maritime fisheries should be, I believe, administered jointly by agreement with the province. The Minister of Fisheries for Quebec says, as reported in a Quebec paper two or three days ago, that he had made several attempts to bring about an understanding with the dominion government. I am not familiar with all the negotiations that have taken place, but he claims that so far he has been unable to succeed.

I bring this matter to the attention of the Prime Minister hoping that, in accordance with what he said a short time ago, he will be able to afford relief in cooperation with the provincial government. He cannot do so otherwise because it is a matter of provincial concern with which we would have nothing to do unless these terms relating to peace, order and good government were in the measure. I hope the Prime Minister will give my remarks full consideration and try to bring about an understanding with the government of Quebec.

Hon. W. R. MOTHERWELL (Melville): Mr. Speaker, any goverment that has had one of its major measures so consistently and strenuously opposed by the opposition as has been the case with this relief bill should not be surprised if we register our last protest on the motion for third reading before the bill passes and goes to the other chamber. That is the usual practice in all similar cases. If the government believe the country is on the way to recovery surely they should be getting away from this class of legislation instead of reverting to it, as they are doing now. Either the government does not believe its own ballyhoo with regard to recovery or it is enacting this legislation, which is more severe than the legislation last year, for some other purpose, and the nearness of an election suggests that that has something to do with it. One of my colleagues was sufficiently good natured to absolve the government from any suspicion of that kind, but I know what this government are capable of doing. Judging from the redistribution bill of last year, which was corrected in two or three particulars in a way as to which I have expressed my appreciation, but which nevertheless was a drastic gerrymander, I say that any government that will take that action will take advantage of this legislation.

There are many ways in which they can do so. We do not forget the wartime election, when certain overseas votes were bunched where they would do the most good. What about the public works program? Can it not be bunched where it will do the most good? If the government are given a free hand and an unnamed amount of money with which to do nearly as they like between now and next session, who can say what may happen? If it is a fact—and it has not been denied—that under this legislation this government can precipitate Canada into a war without calling parliament together, then I am emphatically opposed to it. I do not want to talk about war unnecessarily; I remember the injunction given us some time ago not to

talk about war too much. I quite agree, but I can recall the last war, to which the country was committed to the hilt before parliament met. I for one do not want that to occur again, and if this can be done under this legislation—and I believe it can—that alone is sufficient reason for me to make my last protest against it, which I do with all the vigour of which I am capable.

Then there is another point, of which I have spoken at least twice, but the more I think of it the more audacious the conduct of the government seems to have been. I refer to these guarantees in connection with the sale of wheat on the Winnipeg market by Mr. McFarland. Just think of taking the credit of Canada, to an unknown amount, and putting it behind a wheat market stabilization policy with not a report to parliament even once as to the amount involved for three and a half years. I have no doubt the government was well enough intentioned in this matter, but we have had the people's money and the people's credit used continuously for more than three consecutive years, with no accounting to the owners of that credit or the owners of the wheat. The government may have accounted to the pool authorities through Mr. McFarland but they have not accounted to the individual contract signers who owned that wheat, or to parliament. So I repeat that this government, which preaches business ethics to others, is in danger of becoming a castaway itself. They preach nobler ethics for chain stores and mail order houses, but do as they like with unnamed sums of money which they can spend at any time, anywhere, any how. This is done under the direction of one individual, and I do not care how white he is; the whiter he is the worse it is, because he is put in an invidious position in which no straight man would want to be placed, and I do not believe Mr. McFarland wants to be put in that position either. Unquestionably he has the guarantee of this country behind an aggregate credit amounting to at least $150,000,000. That is our guess; we cannot find out the exact amount, so we have to guess at it. Give anybody, with the knowledge of the market that Mr. McFarland unquestionably possesses, control of practically the whole hedging operations of not only the pool but the entire grain trade and he can do as he likes with the option market in regard to jigging it up or down to the advantage of this or the other class of people. I doubt if any hon. member will challenge that statement. Mr. McFarland has almost entire control of the hedging operations of that market. Has he power to throw it in favour of or against any particular class of the community? If he has that power it is no use telling me that he will not use it; if the power is there it is an extremely dangerous power, and I strenuously object to it.

I suppose these words will be interpreted by some as casting some discredit or doubt upon the honour of Mr. McFarland. I am not doing anything of the kind. I happened to have the opportunity at one time of seeing the marvellous vaults of a great insurance company in Montreal. These vaults, with their ponderous electrically operated doors, contained bonds and securities to vast amounts, deposited by many governments and municipalities, corporations, and so forth. I was told that no one, whether an employee or not, ever was given access to those vaults alone. Was that a reflection on the individual, because someone else was sent with him when it was necessary to look into any of those deposits? No, that was a safeguard, and every honourable man in that great insurance company would rather have someone accompany him than have access alone to all those securities. On that occasion I asked a gentleman who was with me how he felt about it, whether he felt that it was a reflection on his honour to have someone accompany him when he went to the vaults. He answered, "No, it is my desire that I should be accompanied; then I will not have to take the whole responsibility alone." So it is with Mr. McFarland. I take the ground, as I think Mr. McFarland would, that he would much rather operate on that market with two or three associates, especially when he is operating with a government guarantee and a continuous account. I do not see why, for the time being, the government could not make Mr. McFarland a member of the board of grain commissioners, which has the confidence of western Canadians to an exceptional and peculiar degree. I think the people there also have enough confidence in Mr. McFarland to believe that if he were added to the board it would make for the better administration of that line of credit. So there would be more confidence throughout the country than is the case when those operations are handled by one man, even though he be the best that ever stood in shoe leather. We do not forget that Winnipeg was recently the home of a man in whom great confidence was reposed, but who failed his friends and his trust. This shows the danger of unnecessarily placing implicit confidence in any one individual. For these reasons I think the government has done itself a great injustice in defiantly refusing to give this house any information with regard to this wheat guarantee. I give the

government this last opportunity, which apparently they are not going to take, to tell them that so far as I am concerned the government is the worst friend Mr. McFarland has, although the right hon. Prime Minister is supposed to be the millionaire chum of Mr. McFarland, another millionaire. That will not make the temper of the people any better at this time. I must again avail myself of the opportunity to speak upon this point, although I wish I had been deprived of that opportunity by a candid statement by the Prime Minister. I have been predisposed to look upon Mr. McFarland as an honourable man. But just as it is not fair to give such a trust, alone, to the men in the insurance companies to whom I have referred, who have charge of the vaults and are undoubtedly honourable, so in this instance it is not fair to give such great responsibility to Mr. McFarland alone.

I could go on further and make observations regarding some other guarantees. However the right hon. Prime Minister has said that he does not believe any special power which has been granted to this government has been abused. I cite this particular instance as one in which it has been abused—unnecessarily abused—and the people have been audaciously flouted by being refused information in connection with their own business.

Hon. CHARLES STEWART (West Edmonton): Mr. Speaker, I believe this bill is worthy of some comment, before the house proceeds to third reading. This is one of the most important measures which will come before parliament this session, and the passing of similar legislation is becoming an annual affair. Hon. members interested have in my view a perfect right to express their opinions upon the provisions of the measure now before them. It is quite true that with all the vigour we possess we have opposed the passage of some sections of the bill. We have taken the same action at each session of parliament in which we have considered similar legislation. Further, if we are to have another session of this parliament we will be forced to give further opposition, because I cannot conceive of a complete cure so long as the policies of the present government are in effect.

Without generalizing too much may I state that the government secured its present position by very spacious promises made to the electors. They did not promise to relieve unemployment; they promised to cure it. And not only did they make that promise to the electors in 1930, but they made other promises. They stated that unemployment had reached a stage where it had become a national question, one which was too great for the provinces or municipalities to handle, and which should be assumed by the federal government. On every platform throughout the country they ridiculed the proposals made by the present leader of the opposition. His statement was that in his opinion the relief problem could be handled only as a provincial undertaking, and if the provinces found it too great the federal government would come to the rescue. A great deal of ridicule was heaped upon the heads of the then government by the present leader of the government and his lieutenants. They said, "When we get into office we will cure this unemployment." So strongly did the present Minister of Justice (Mr. Guthrie) feel upon the point that he said, "Put us in office and we will cure unemployment in three days." I do not happen to have his statement before me, but I have it on my desk upstairs.

Mr. CANTLEY: You would have to go a long way to find that statement.

Mr. STEWART (Edmonton): I can produce it and I do not think the minister will deny it.

Mr. McGIBBON: He said he would pass legislation in three days.

Mr. STEWART (Edmonton): He said he would cure unemployment in three days. That is my statement.

Mr. CANTLEY: You cannot get away with that.

Mr. STEWART (Edmonton): Yes, I can.

Mr. CANTLEY: No, you cannot.

Mr. STEWART (Edmonton): And I can get away with plenty of others. I do not know whether the hon. member who has just interrupted was or was not one of the guilty ones. I do not suppose he would be, because he is too old at the game to be caught in a tight corner like that.

Mr. CANTLEY: You are trying to get out of it now.

Mr. STEWART (Edmonton): I now hold in my hand, as I have at three sessions of parliament, the government's cure for unemployment. It is nothing but the thing they derided, the dole. If one agrees that those unfortunates in the camps under the supervision of the Minister of National Defence are not working on any wage scale, then certainly they must be on the dole. The relief handed out by the provinces and municipalities is nothing but a straight dole. No excuse has been made by the present gov-

ernment for this condition. I believe that the criticism made this afternoon by the hon. member for Winnipeg North Centre (Mr. Woodsworth) was justified when he said that we expected something more than we have received. That is one criticism I have to offer, and I must criticize further the unfulfilled pledges of this government. Worse than that however they turned about and adopted the very principle they then condemned, namely, relief through the provinces, and by the provinces to the municipalities. How they expect to escape criticism on that score is beyond me. True, they say that at this late date they have discovered it is impossible to act directly because they have not the jurisdiction. I call to their attention however that in some respects they have acted in a direct manner. Certainly the relief offered in the camps is an instance of direct action. In that connection relief has been granted through agencies in the provinces. I wish to direct the attention of hon. members to the fact that these were not the policies propounded by the present government but are policies which were derided by them. They have found that when in office they have not been able to carry out their promises.

I am not going to take up the time of the house in a long discussion of these matters, but I should like to draw to the attention of hon. members the second important feature of this legislation, namely, the very wide powers sought by the government, despite the fact that they must deal through provincial agencies. What do they want? They want complete power—power to supersede statutes. They want to take unto themselves the only power which parliament has to control the executive. Why do they want this power? They say that in the past they have used it on only one occasion, namely, when Great Britain departed from the gold standard. But year after year they demand this power from the Canadian parliament so that they may have a free hand under the aegis of peace, order and good government to do as they please. They are allowed to do anything they wish under this measure.

I hold in my hand a record showing some of the things for which they have received a blank cheque, and under which they have proceeded to do business. Although I made reference to this point the other day, I shall refer to it again. I shall not take time more than to mention the guarantees to the provinces to assist them through difficult times, but I shall deal at greater length with the government's action in guaranteeing the banks for advances to the Beauharnois power project.

[Mr. C. A. Stewart.]

Mr. McGIBBON: What about wheat?

Mr. STEWART (Edmonton): Does the hon. member refer to the guarantee of the banks in connection with the so-called stabilization of the market?

Mr. McGIBBON: It was to help the western farmer; why differentiate?

Mr. STEWART (Edmonton): It is just as obnoxious to say that you delegate to the executive power to guarantee the purchase of wheat as it is to make advances to Beauharnois. It is exactly the same thing. I do not say parliament would have refused these powers, if it had been asked for them—not for a moment. I do not question that there would have been considerable discussion over the question of guaranteeing the banks with respect to advances to Beauharnois to complete construction but—

Mr. McGIBBON: Beauharnois did not originate here.

Mr. STEWART (Edmonton): No, but this government took it as its child.

Some hon. MEMBERS: No, no.

Mr. STEWART (Edmonton): Oh yes, it did. Some of these days I shall discuss the matter fully. Then, do you suppose that when a majority of this parliament delegated to their executive the right to make advances for relief purposes anybody had anticipated that they were going to guarantee the accounts of Newfoundland? I question very much if even my hon. friend who is perhaps just as strong a Conservative as I am a Liberal had any anticipation that this government were going to proceed to pledge the credit of Canada outside of this country altogether for the benefit of the sister dominion of Newfoundland. I know that my hon. friend will agree with the next guarantee that I name, that given in respect of the Dominion Steel and Coal Corporation for the production of steel rails. I am not going to say very much about that except that if such a step had become necessary there was no reason in the world why the government could not have got their following in this house, even if the opposition had objected, to give this guarantee of one million odd dollars. The same thing applies to the advances in respect to the Algoma Steel Corporation and the Canadian Pacific Railway. Outside of the two steel companies there is not a tittle of evidence that these advances were for the purpose of giving employment. It is true that two million dollars was advanced to the Canadian Pacific Railway for the purpose of providing employment, but there was no employment at all involved

in the guarantee of the sixty million dollar loan to the Canadian Pacific Railway. While I do not wish to be misunderstood or for it to be said that I am opposing these guarantees, I do want it to be distinctly understood that I am opposing the method by which these guarantees were given. The guarantees were given under the provisions of the Unemployment Relief Act which everyone in this house assumed was for the purpose of granting relief to distressed Canadians. Perhaps those institutions come within that category. I say, Mr. Speaker, that we on this side of the house are opposed to every action of that kind being taken under an unemployment relief measure. We do not say what our action would be if these matters were placed before us, although I for one would have opposed many of them. But I do say that the method of pledging the credit of the people of Canada for such huge amounts as was done under the Unemployment Relief Act should be opposed as strenuously as possible.

The older members of this parliament have some appreciation of the rights of parliament and of the long struggle to obtain them. I for one view with considerable alarm what I see happening all around me these days. I have some appreciation of the battle which the citizens of this and other countries fought for political and individual freedom. But now we have a severe depression and everybody is worried, not only the unemployed, but as I heard stated the other day, many of those engaged in industry from one end of this country to the other because they do not know what next week will bring forth with respect to their particular business. They are in a frame of mind to submit under the present conditions to very drastic action, and I say that this government is taking absolute and full advantage of the state of mind that prevails in this country because they have a very considerable majority in this house.

Mr. CANTLEY: That is not a fair statement.

Mr. STEWART (Edmonton): That is the statement I am going to make.

Mr. CANTLEY: I know you are going to make it, but that does not make it fair.

Mr. STEWART (Edmonton): I say it is perfectly fair. Under other conditions I say that the people of this country would not stand for these acts being done. We had one example of the feeling of this country in 1926 when large powers were taken by a majority of this house and exercised by the executive in a manner nothing like so important as this. The people of this country spoke in a very emphatic way upon that occasion when our rights, even in a smaller degree, were attempted to be taken from us. But to-day under this legislation, under the aegis of peace, order and good government this government can do anything. They have all the powers of this parliament conferred upon them, and despite what the Prime Minister said a few evenings ago when he amended section 2 (b) of this act, the executive still have unlimited power conferred upon them under this section. So much for the provision with respect to peace, order and good government.

I turn now to the blank cheque provision. Having been given the right to do anything that parliament has power to do the government are still asking to-day, after four years of experience in administering unemployment relief, that they retain the power, except that the right to deal with private corporations has been deleted from this particular bill, to spend money just as they please. It is all right for hon. gentlemen opposite to say that no case of maladministration can be pointed to, and I am very glad that we cannot. Indeed, if power were taken for that purpose it would be a tragedy. But there is always the temptation when the power exists, and unlimited power is being sought in this bill. Why, Mr. Speaker, the constitution itself is there not only for the protection of the individual but for the protection of the executive itself, and the executive now desires to take away the background of protection which they have in connection with their administrative powers. Under our constitution the executive have no right to spend a single dollar unless it has first been granted to them by parliament in specified amounts, and yet they disregard completely this right which parliament enjoys under our constitution, and which was dearly bought, and I say, Mr. Speaker, that it could not be done were it not for the desperate situation that now exists in this country.

Mr. CANTLEY: It would not have been necessary but for that situation.

Mr. STEWART (Edmonton): Possibly not, but I fail to see the necessity for such drastic powers being taken even in the present difficult situation of this country. If the government had continued to come to parliament for a stated sum of money, as they asked for twenty million dollars at the special session in 1930, no one could have had very much criticism to offer, nor was there much criticism offered on that occasion. The government had complete control of the expenditure. True they did not give us details of the expenditure, and since that time up to the

present we did not know, and I presume the government did not know, how much it was going to spend in any given year. The government remained the sole arbiter of the amount to be spent, and the sole judge of the necessities of the situation. That is the position they occupy, a position of complete autocracy. The government themselves realize that this is rather a dangerous power now that they see two of the provincial governments at least seizing the like powers from their provincial legislatures. Then this government complains. It is very questionable whether the provinces are within their constitutional rights in so doing, but they are doing it nevertheless, and it is questionable also whether this federal government is within its jurisdiction, but they are doing it because they have a majority behind them which will see them through in putting this act upon the statute books.

Undoubtedly, Mr. Speaker, we must have relief in Canada. We cannot allow our people to starve. I need not repeat that the policies of this government have added a hundredfold to their difficulties. Yet they refuse to change those policies. It has been mooted that there is to be a change in policy, that we are to have a right-about-face with respect to the most important matter which parliament will have to consider, the fiscal policy. After four years of excessive restrictions upon trade we will welcome with a great deal of happiness any change in the mental attitude of this government towards this important question. I hope that the report is true. Despite the four years in which they have consistently and persistently voted for the continuation of a policy which is so destructive, I suppose the majority will now right-about-face and support the Minister of Finance (Mr. Rhodes). Perhaps for once I may be able to give them some support and my only hope is that the reductions will be reasonable and be able to cure some of the evils from which we are suffering to-day.

An hon. MEMBER: You are wrong.

Mr. STEWART (Edmonton): Someone remarks that I am wrong, and I am a bit afraid that I am. I can scarcely imagine that anything so acceptable would come from the other side of the chamber.

For these reasons I am opposed to this bill. I am opposed to the powers which will bring about a usurpation of the rights of parliament. Every once in a while when I think of the monstrous ills of this government and their supporters I am overwhelmed. I am opposed to the actions which this government proposed to take under the guise of relief. They have turned right-about-face on every promise they made with respect to this important question and I am going to tell them about it at every opportunity. Had we been sitting on that side of the house they would have told us, perhaps much better than I can tell them. One should not be rash in making promises to the electors. That is the unhappy position in which this government find themselves to-day and they will be in that unhappy position when they face the electorate. The electorate have long memories and it will be a sorry spectacle to see the hon. gentlemen who traversed this country making pleas for support having to justify the stand they have taken in this house, particularly in connection with a measure of this kind. Hon. gentlemen cannot complain if they find themselves in that position because the public has a right to demand the fulfilment of promises solemnly made. I am opposed to the manner in which the government, under the guise of relief, has taken advantage of this legislation to do any and everything and to usurp the powers of parliament under peace, order and good government. Year after year with this blanket cheque the government has refused to give to parliament its inherent right to control the voting and expenditure of public funds. Therefore, I propose to vote in favour of the amendment.

[Mr. C. A. Stewart.]

Hon. PETER HEENAN (Kenora-Rainy River): Mr. Speaker, the hon. member for West Edmonton (Mr. Stewart) has referred to a possible change of policy on the part of the government; I think he called it a right-about face. If there is anything in connection with which this government have changed their policy, it is unemployment and unemployment relief. I can recall their statements made on the platforms in 1930 that they were going to end unemployment and take it over as a national obligation. During the special session of 1930 when the Prime Minister (Mr. Bennett) introduced his bill he told us that it was a measure to provide work and wages. After a term the government decided that the giving of work to provide wages was too expensive and they changed their policy to one of direct relief. Apparently they have got tired of direct relief and are going to put on a program of public works. In the short space of four years the government have turned right-about-face several times in connection with unemployment and unemployment relief.

During the course of his remarks to-day the Prime Minister said that I had agreed with him on Friday evening, and he seemed to take some comfort out of that fact. Either he did not understand what I said or he twisted

my argument around. My argument was in accordance with the one advanced by the right hon. leader of this party (Mr. Mackenzie King), that whatever money this parliament spends should be spent under its own control. My remarks appear in Hansard of Friday, and here is what I said:

To-night the Prime Minister advanced the best argument that I have heard as to why the act should be amended.

I was referring to the British North America Act.

The right hon. gentleman said that if we state a definite amount in this bill the provinces will clamour for what they think is coming to them; even if they need only $2,000,000 if there is $20,000,000 to be divided they will want their share. I think the Prime Minister was right in that argument; I agree with him, and that is just another reason why we in this federal parliament should take care to see to it, when we are spending money, that we spend our own money over which we have control.

If the Prime Minister can get any consolation out of those statements, I am glad to let him have it. The argument I advanced is that which has been advanced continually by the opposition, that when we are spending money we should spend our own money and should take control over it. If the government had carried out their promises to the electors they would have taken control and assumed the obligation of unemployment and unemployment relief. The government told the people in 1930 that they would make it a national obligation and they received a mandate from the people to take over unemployment and unemployment relief as a national obligation. Will anyone contend that the government of Quebec or of any other province would object to this government taking over full control of and assuming full reponsibility for unemployment relief? I am certain that no government would object. The fact that we have this bill before us in 1934, four years after this government was elected to end unemployment, is the best proof that the policies of this government have failed. A policy that has been put into effect by this government and that has lost trade to the extent of $1,768,000,000 in four years, must have been a poor policy and one not in the best interests of Canada. Surely the policies of a government that has lost trade to that extent in four years, that has added four hundred million to the debt of this country and that has increased taxation until the people are overburdened with it, cannot be good for this dominion. Therefore I repeat that this government has from time to time changed its ideas and its policies, and the worst feature of the matter is that it has not carried out its direct promise that if it did not do these things it would perish in the attempt.

I do not need to repeat that those who need relief, those who are working under relief measures, are getting by all odds the small end of the deal, and this government, not content with bringing in a measure of this kind for unemployment relief and having it administered by the province of Ontario in the way it has been, have coupled with it the peace, order and good government provision and all those other matters that have no connection with an unemployment relief measure. I agree entirely with the leader of the C.C.F. party in asking: Why include in the relief measure the peace, order and good government provision and ask for additional powers to maintain peace and order in this country over and above what already exists on the statute books. I contend that while the government are handing out relief with one hand, in the other we have a bludgeon that if the people do not like the relief, then they must be quite subservient and take what is handed to them by the Conservative government or suffer the consequences.

Then this government takes power—and I would not mind if it lived up in some way to the powers that we give it—to make regulations. In connection with the fact that I stated a moment ago that the labour men got the small end of these things, I want to point out that the Minister of Labour—and of course that means the government—has changed his position in regard to the wages that are to be paid to men engaged on these works. If we take the report of the dominion director of unemployment for 1930, there will be found on page 15 regulation No. 7 which reads as follows in connection with the wages that are to be paid:

7. All agreements made with provincial or municipal authorities involving the expenditure of any portion of the moneys appropriated by the act for public works or undertakings shall contain provisions for the payment of fair wages and hours of work in accordance with the intent of the Fair Wages and Eight-Hour Day Act, 1930, and the fair wages policy of the government of Canada as set forth in order in council (P.C. 1206) dated 7th June, 1922, and amendments thereto.

That is what is known as a minimum wage, a fair wage, but at any rate it works out as a minimum wage. According to the report of the dominion director of unemployment relief for 1932, that policy is entirely changed, because we find among the general regulations clause 8 on page 3 as follows:

The federal government will require that a maximum work day of eight hours shall prevail on works and undertakings carried on under the provisions of the Unemployment

and Farm Relief Act, 1931, unless a modification of this requirement is previously agreed to by the minister; the provincial or municipal authorities may fix rates of wages to be paid provided that such rates be fair and reasonable and not in excess of the rates required to be paid by the federal government for the character or class of work in the district.

In other words, the first regulation that was put there by the dominion government on the recommendation of the Minister of Labour was a minimum rate of wages and when they changed their policy in the following year, as shown in the 1932 report, they had a maximum rate of wages. For the information of hon. members who may not be acquainted with the minimum and maximum rate of wages principle, when an employer is limited to a minimum rate of wages he cannot pay below that, but when there is a maximum wage set, he does not need to go to the maximum, but he can pay as low below it as he sees fit. In other words, it is a destruction of the minimum rate of wages. Here we have a government telling the labour men of this country what they have done for them in the face of the intelligent electors, barefacedly including in their regulations a provision that neither the provincial nor the municipal authorities can pay more than the federal government do for works of a similar character. Had the Minister of Labour and the government required them to pay as much as the federal government did, I would not mind that, because I am sure the minister, so far as federal works are concerned, will have a minimum rate of forty or forty-five cents an hour for labour men in his own riding and, in fact, throughout most of northern Ontario. Yet he allows the provincial government in the case of works for which money is contributed by this government to pay $5 and $10 a month.

Mr. GORDON: That is not wages at all and never was intended to be.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. HEENAN: It is very difficult, Mr. Speaker, to speak in the chamber with the riot that is going on outside. I do not know what the occasion is; it is neither the twelfth of July nor the seventeenth of March—but it must be a Scotchman's day because I hear the bagpipes. If I interpret it aright it is a signal for this government to resign.

Mr. MANION: Your hearing is bad.

[Mr. Heenan.]

Mr. STEVENS: You are not seeing the signals right to-night.

Mr. LAPOINTE: They will see them to-morrow.

Mr. HEENAN: Before recess I had pointed out the many ills that have resulted from the policies of this government; how they had lost trade to the extent of $1,768,000,000, increased the national debt to the extent of about $400,000,000, and increased the burden of taxation until the people cannot stand any more of it. I pointed out that when they first introduced their unemployment relief measures the Prime Minister declared that their intention was to supply work and wages, but after following, that policy for a time they changed it to direct relief or the dole; and that they have now changed again and gone back to work and wages. I had pointed out that this government had changed their view with respect to many principles enunciated by them with respect to wages. I showed that in the first regulations formulated by them they provided for what is known as the fair wage or minimum wage, and in the next regulations they changed that to a maximum wage. The Minister of Labour just before recess had interjected some remark that I did not quite catch, but I shall say to the minister that his policy, the policy of the government with respect to $5 a month or $10, has been repudiated as far as I can learn by the electors of South Oxford.

Mr. McINTOSH: What's the matter with Rennie!

Mr. HEENAN: The government can now realize that Canadian boys were not going to work in the bush for the government at $5 or $10 a month and their board. They knew that the Prime Minister had promised to educate these boys so that they could take their part in the public life of Canada, yet I have cheques in my pocket showing that some of these educated boys drew the magnificent wages of $5 and $10 a month. So the government have changed their view; they are now going to give work and wages again.

Mr. MACKENZIE (Vancouver): Too late now.

Mr. HEENAN: We have been going around this country for several years trying to shame the government of Ontario, which as everyone knows is a Tory government, not a Conservative government, and they have at last hearkened to the voice of the people and are now going to pay the magnificent rate of 25 cents an hour on the eve of an election. I received in to-day's mail from the city of

Fort William the Fort William Times Journal of April 11. The local member, Mr. Spence, was speaking at a public meeting. What do you think he said?

Mr. GOLDING: South Oxford.

Mr. HEENAN: Never mind South Oxford; listen to this—it will shame them more than South Oxford.

For some of the men the increase had meant a boost of 235 per cent in wages.

That is what the local member of the Ontario legislature for Fort William said to a lot of intelligent men—I know they are because they voted for my hon. friend over there; he tells labouring men without shame that the Tory government is now going to increase their wages 235 per cent. Then he adds that both the Fort William and the Port Arthur members had played a leading role in recent highway legislation. Well, if he takes credit for that now on the eve of an election he must also take the responsibility for the one cent cheques that have been paid for wages by the Ontario government, wages that have been paid now for three years without a protest of any description on their part. I leave it to the electors of Fort William and district whether they are going to be deceived and fooled once more, because they know very well that if by any miracle the Ontario government should be returned to power their wages will be again reduced to starvation point five minutes after the election is over. So the member for Fort William may take what credit he can for the 235 per cent increase, as well as the discredit for what I have designated as slave wages.

A gentleman by the nam of Laverdure, who was sent from Ottawa to live on the public, wrote a letter to the Ottawa Journal which was published in its issue of February 16, taking me to task for a statement I made on the floor of this house. The effect of the letters is that the men were not working; that they were just treated like children; that they got porridge to eat in the morning and pies in the afternoon and sausages for lunch and carrots and something else for dinner.

Mr. COWAN (Long Lake): Well fed.

Mr. HEENAN: He said the men in these camps were well fed and well housed; that they had sausages and pies and puddings and carrots. Have I not designated those camps correctly when I call them slave camps? Anyone who reads the history of slavery knows that the slave masters fed their slaves well in order that they could work and produce more. We know that the slave owners had medical men to look after them and tried to keep the slaves happy and contented because they wanted them to feel comfortable so that they would produce more. Everyone who knows anything about this gentleman to whom I refer knows how he was sent to the camps in our district, what influences were brought to bear to have him sent there and what he was sent for. I may tell you that I have a letter in my possession stating that he is not a $10 a month man but a $70 a month man, who is willing to sign any letters that are prepared for him by the Ontario government. The whole practice is to have two or three men in each camp who are willing to write or sign letters to repudiate anything that may be said by the local member in the Ontario legislature, Mr. Hutchinson, or by myself, so that the people in old Ontario will ask themselves whether we are stating the truth. These men who write or sign these letters do nothing else; they are excused by the bosses and do nothing but lie around the camps. They are treated like children; they are the pets. In the letter I have just received it is said that this man is getting compensation, that he has just been promoted to be assistant superintendent in Algonquin Park. That is the way the organization is carrying on; that is the way they spend the money contributed by this government, and that is where we come in. I do not mind what the Ontario government do with their own money, but I do mind what they do with federal money.

The ex-mayor of Kenora sent a telegram, which the Minister of Labour read on the floor of the house with great gusto, which said that the hon. member for Kenora-Rainy River was not speaking the truth. I wonder if the minister knows that shortly after he received that telegram the man who sent it received an appointment worth $1,200 a year at the hands of the Ontario government as compensation for betraying his own district and his own town.

I could go on and deal with many more of these cases. We have the right to protest because we are protesting against the expenditure of federal money in order to carry on that gigantic political machine in the province of Ontario. Let me read an editorial from the Dryden Observer to indicate that the money is not well spent; the editorial refers to a disaster in which a farmer in a country district was burned to death. Due to the fact that the roads were blocked by snow, though they had plenty of machinery and men to keep the roads open, this man

was burned to death in his home. There was no communication; they would not spend the money. I read from the editorial column of the Dryden Observer of April 6:

> The inconvenience of snow blocked roads in this district was never more apparent than this week when the tragic fire occurred at Minnitaki. It was Sunday forenoon before word of the accident reached here and then it was only by the section foreman, Mr. W. Duncan, coming through by motor car on the track. Provincial constable Erickson and Coroner Dr. Morison had to use the same mode of conveyance to Minnitaki in order to visit the scene and had a two mile tramp through deep snow before reaching the farmstead. Neighbours who tried to get to the fire to help the Washburn family had to almost crawl through the deep snow to get there and on account of the snow blocked roads, the funeral and interment of the late Mr. Washburn's remains had to take place at Dryden instead of at Minnitaki.

They could not even bury the remains in the locality in which this tragedy took place. That is some of the work of the Ontario government, which has dozens if not hundreds of men who are leeches on society, Tories who go round the country living on the proceeds of the taxation of the people and rendering no service to the community, the province or the dominion except writing letters of this description repudiating what has been said by public men.

I could go on at greater length, Mr. Speaker, to describe the situation that prevails in northern Ontario, but I think in the excitement of hearing the returns from South Oxford I have lost my notes. Let me say again, however, that the policies of this government have increased rather than ended unemployment. If the sounds I hear in the corridors behind me indicate what South Oxford has said they indicate a protest not only against the Prime Minister and the Minister of Railways, who are adding to unemployment, but against the whole government as well. The Minister of Railways and the Prime Minister went over this country in 1930 making all sorts of promises, according to the newspapers and friends who gave me the information. I was not within hearing of their voices; I was down in Cape Breton at the time Howard Ferguson said I was up in my own bailiwick. He does not know much about the geography of the country. Those gentlemen sitting over there with smiles on their faces went to the railway centres and said to the men, "Look at the engines and cabooses standing on the side tracks, stored away. If we are elected on July 28 these engines will be running up and down the tracks, emitting steam and smoke. The railway men every month will bring home full pay cheques and their wives will be smiling and happy all day long." Now, however, at the end of almost four years, what is the situation? I am glad to see the Minister of Railways in a good humour tonight; I am glad to see him take his medicine like an Irishman. He actually smiles in face of the fact that he and his government have instituted policies that have brought about the dismissal of sixty-five thousand railway men. What do they offer them to-day? They offer consolation by way of $5 or $10 a month and their board, with peace, order and good government attached. That is the situation with respect to this government, and in conclusion I want to say that if there is the least bit of shame in the Prime Minister and his government, let them resign at once and go to the country.

The house divided on the amendment (Mr. Mackenzie King) which was negatived on the following division:

YEAS

Messrs:

Beaubien	King, Mackenzie
Blair	Lapointe
Bothwell	MacInnis
Boulanger	Mackenzie (Vancouver Centre)
Bradette	McIntosh
Brown	McPhee
Butcher	Motherwell
Chevrier	Munn
Deslauriers	Neill
Donnelly	Parent
Duff	Reid
Elliott	St-Père
Factor	Stewart (Edmonton West)
Fiset, Sir Eugène	Totzke
Gershaw	Veniot
Golding	Weir (Macdonald)
Goulet	Woodsworth—36.
Hanson (Skeena)	
Howden	

NAYS

Messrs:

Anderson (Halton)	Embury
Arsenault	Ernst
Arthurs	Fraser (Cariboo)
Barber	Gagnon
Baribeau	Gardiner
Beaubier	Garland (Bow River)
Bennett	Garland (Carleton)
Bourgeois	Gobeil
Bowman	Gordon
Burns	Guthrie
Bury	Hanson (York-Sunbury)
Carmichael	Hay
Chaplin	Irvine
Charters	Johnstone
Coote	Kennedy (Winnipeg South Centre)
Cowan (Long Lake)	Loucks
Davies	Lucas
Dickie	
Edwards	

Luchkovich	Simpson (Simcoe North)
Macdonald (Kings)	Smith (Victoria-Carleton)
MacLaren	Smith (Cumberland)
MacMillan (Saskatoon)	Smoke
MacNicol	Spencer
McGillis	Sproule
McGregor	Stanley
McLure	Stewart (Leeds)
Manion	Stewart (Lethbridge
Matthews	Stirling
Moore (Chateauguay-Huntingdon)	Stitt (Nelson)
Morand	Stitt (Selkirk)
Mullins	Swanston
Murphy	Tétreault
Myers	Thompson (Lanark)
Nicholson	Tummon
Peck	Turnbull
Perley (Qu'Appelle)	Weese
Pickel	Weir (Melfort)
Plunkett	White (London)
Price	White (Mount Royal)
Quinn	Willis
Rogers	Wright—83.
Shaver	

PAIRS

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

Messrs:

Anderson (High Park)	Mitchell
Baker	Bertrand
Barrette	Rhéaume
Belec	Fournier
Bell (Hamilton)	Mercier (St. Henri)
Bell (St. Antoine)	Raymond
Bell (St. John-Albert)	Dubois
Beynon	Euler
Black (Halifax)	Dubuc
Bowen	McKenzie (Assiniboia)
Boyes	Hepburn
Cahan	Rinfret
Cantley	Cardin
Casselman	Howard
Cotnam	Hurtubise
Cowan (Port Arthur)	Ilsley
Dorion	Verville
Duguay	Dumaine
Dupré	Ferland
Duranleau	Moore (Ontario)
Esling	Hanbury
Fortin	Fafard
Ganong	Michaud
Geary	Mercier (Laurier-Outremont)
Gott	Rutherford
Hackett	Perras
Harris	Jacobs
Jones	MacLean
Laflèche	Girouard
Larue	Thauvette
Laurin	Fontaine
Lawson	Gray
Lennox	Pouliot
MacDonald (Cape Breton South)	Urquhart
Macdougall	Denis
McDade	Dupuis
McGibbon	Power
Maloney	Young
Perley, Sir George	Marcil
Pettit	Bouchard
Porteous	Macphail, Miss
Rhodes	Ralston
Robinson	Desrochers
Ross	Roberge
Rowe	Lacroix
Ryerson	Taylor
Sauvé	Séguin
Senn	Sanderson
Short	Heenan
Simpson (Algoma)	Casgrain
Spankie	Ahearn
Spence	Fraser (Northumberland)
Spotton	MacMillan (Mackenzie)
Stevens	Malcolm
Stinson	Hall
Sullivan	Brasset
Sutherland	Boucher
Thompson (Simcoe)	Jean
Wilson	Vallance.

Mr. McKENZIE (Assiniboia): I was paired with the hon. member for Durham (Mr. Bowen). Had I voted, I would have voted for the amendment.

Mr. HALL: I was paired with the hon. member for Victoria-Ontario (Mr. Stinson). Had I voted, I would have voted for the amendment.

Mr. BERTRAND: I was paired with the hon. member for Toronto Northeast (Mr. Baker). Had I voted, I would have voted for the amendment.

Miss MACPHAIL: I was paired with the hon. member for North Grey (Mr. Porteous). Had I voted, I would have voted for the amendment.

Mr. VALLANCE: I was paired with the hon. member for Wentworth (Mr. Wilson). Had I voted, I would have voted for the amendment.

Mr. HANBURY: I was paired with the hon. member for West Kootenay (Mr. Esling). Had I voted, I would have voted for the amendment.

Mr. PERRAS: I was paired with the hon. member for Stanstead (Mr. Hackett). Had I voted, I would have voted for the amendment.

Mr. POULIOT: I was paired with the hon. member for North York (Mr. Lennox). Had I voted, I would have voted for the amendment.

Mr. MITCHELL: I was paired with the hon. member for Toronto-High Park (Mr. Anderson). Had I voted, I would have voted for the amendment.

Mr. RYERSON: I was paired with the hon. member for Norfolk-Elgin (Mr. Taylor). Had I voted, I would have voted against the amendment.

Mr. MacMILLAN (Mackenzie): I was paired with the hon. member for North Huron (Mr. Spotton). Had I voted, I would have voted for the amendment.

Mr. ROBINSON: I was paired with the hon. member for Portneuf (Mr. Desrochers). Had I voted, I would have voted against the amendment.

Mr. SIMPSON (Algoma): I was paired with the hon. member for Charlevoix-Saguenay (Mr. Casgrain). Had I voted, I would have voted against the amendment.

Mr. CASSELMAN: I was paired with the hon. member for Sherbrooke (Mr. Howard). Had I voted, I would have voted against the amendment.

Mr. PETTIT: I was paired with the hon. member for Kamouraska (Mr. Bouchard). Had I voted, I would have voted against the amendment.

Mr. BELL (St. Antoine): I was paired with the hon. member for Beauharnois (Mr. Raymond). Had I voted, I would have voted against the amendment.

Mr. FAFARD: I was paired with the hon. member for Levis (Mr. Fortin). Had I voted, I would have voted for the amendment.

Mr. BRASSET: I was paired with the hon. member for St. Ann (Mr. Sullivan). Had I voted, I would have voted for the amendment.

Mr. DUBUC (Translation): I was paired with the hon. member for Halifax (Mr. Black). Had I voted I would have voted for the amendment.

Mr. ROBERGE (Translation): I was paired with the hon. member for Kingston (Mr. Ross). Had I voted I would have voted for the amendment.

Mr. LACROIX (Translation): I was paired with the hon. member for Dufferin-Simcoe (Mr. Rowe). Had I voted I would have voted for the amendment.

Mr. SAUVE (Translation): I was paired with the hon member for L'Assomption-Montcalm (Mr. Séguin). Had I voted I would have voted against the amendment.

Mr. DUGUAY (Translation): I was paired with the hon. member for Bagot (Mr. Dumaine). Had I voted I would have voted against the amendment.

Mr. LAFLECHE (Translation): I was paired with the hon. member for Drummond-Arthabaska (Mr. Girouard). Had I voted I would have voted against the amendment.

Mr. FOURNIER (Translation): I was paired with the hon. member for Pontiac (Mr. Belec). Had voted I would have voted for the amendment.

Mr. SPEAKER: The motion is that the bill be read a third time. Is it the pleasure of the house to adopt the motion?

Some hon. MEMBERS: Carried.

Mr. MACKENZIE KING: On division.

Mr. BENNETT: No.

Mr. SPEAKER: Mr. Gordon moves, seconded by Mr. Dupre, that Bill No. 42, an act respecting relief measures, be read a third time.

Mr. SIMPSON (Algoma): Mr. Speaker, I understood that when a number of members stand up the division must be recorded.

Mr. BENNETT: Mr. Speaker is now going to put the motion.

The house divided on the motion (Mr. Gordon) which was agreed to on the following division:

YEAS

Messrs:

Anderson (Halton)
Arsenault
Arthurs
Barber
Baribeau
Beaubier
Bennett
Bourgeois
Bowman
Burns
Bury
Carmichael
Chaplin
Charters
Coote
Cowan (Long Lake)
Davies
Dickie
Edwards
Embury
Ernst
Fraser (Cariboo)
Gagnon
Gardiner
Garland (Bow River)
Garland (Carleton)
Gobeil
Gordon
Guthrie*
Hanson (York-Sunbury)
Hay
Irvine
Johnstone
Kennedy (Winnipeg South Centre)
Loucks,
Lucas
Luchkovich
MacDonald (Cape Breton South)
MacLaren
MacMillan (Saskatoon)
MacNicol
McGillis
McGregor
McLure
Manion
Matthews
Moore (Chauteauguay-Huntingdon)
Morand
Mullins
Murphy
Myers
Nicholson
Peck
Perley (Qu'Appelle)
Pickel
Plunkett
Porteous
Price
Quinn
Rogers
Shaver
Simpson (Simcoe North)
Smith (Victoria-Carleton)
Smith (Cumberland)
Smoke
Spencer
Sproule
Stanley
Stewart (Leeds)
Stewart (Lethbridge)
Stirling
Stitt (Nelson)
Stitt (Selkirk)
Swanston
Tétreault
Thompson (Lanark)
Tummon
Turnbull
Weese
Weir (Melfort)
White (London)
White (Mount Royal)
Willis
Wright—84.

* See page 2219.

NAYS

Messrs:

Beaubien	Lapointe
Blair	MacInnis
Bothwell	Mackenzie (Vancouver Centre)
Boulanger	Macphail, Miss
Bradette	McIntosh
Brown	McPhee
Butcher	Motherwell
Chevrier	Munn
Deslauriers	Neill
Donnelly	Parent
Duff	Reid
Elliott	St-Père
Factor	Stewart (Edmonton West)
Fiset, Sir Eugène	Totzke
Gershaw	Veniot
Golding	Weir (Macdonald)
Goulet	Woodsworth—37.
Hanson (Skeena)	
Howden	
King, Mackenzie	

PAIRS

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

Messrs:

Anderson (High Park)	Mitchell
Baker	Bertrand
Barrette	Rhéaume
Belec	Fournier
Bell (Hamilton)	Mercier (St. Henri)
Bell (St. Antoine)	Raymond
Bell (St. John-Albert)	Dubois
Beynon	Euler
Black (Halifax)	Dubuc
Bowen	McKenzie (Assiniboia)
Boyes	Hepburn
Cahan	Rinfret
Cantley	Cardin
Casselman	Howard
Cotnam	Hurtubise
Cowan (Port Arthur)	Ilsley
Dorion	Verville
Duguay	Dumaine
Dupré	Ferland
Duranleau	Moore (Ontario)
Esling	Hanbury
Fortin	Fafard
Ganong	Michaud
Geary	Mercier (Laurier-Outremont)
Gott	Rutherford
Hackett	Perras
Harris	Jacobs
Jones	MacLean
Laflèche	Girouard
Larue	Thauvette
Laurin	Fontaine
Lawson	Gray
Lennox	Pouliot
MacDonald (Cape Breton South)	Urquhart
Macdougall	Denis
McDade	Dupuis
McGibbon	Power
Maloney	Young
Perley, Sir George	Marcil
Pettit	Bouchard
Rhodes	Ralston
Robinson	Desrochers
Ross	Roberge
Rowe	Lacroix
Ryerson	Taylor
Sauvé	Séguin
Senn	Sanderson
Short	Heenan
Simpson (Algoma)	Casgrain
Spankie	Ahearn
Spence	Fraser (Northumberland)
Spotton	MacMillan (Mackenzie)
Stevens	Malcolm
Stinson	Hall
Sullivan	Brasset
Sutherland	Boucher
Thompson (Simcoe)	Jean
Wilson	Vallance.

Mr. POULIOT: I was paired with the hon. member for North York (Mr. Lennox). Had I voted I would have voted against the motion.

Mr. BERTRAND: I was paired with the hon. member for Toronto Northeast (Mr. Baker). Had I voted I would have voted against the motion.

Mr. AHEARN: I was paired with the hon. member for Frontenac-Addington (Mr. Spankie). Had I voted I would have voted against the motion.

Mr. HANBURY: I was paired with the hon. member for West Kootenay (Mr. Esling). Had I voted I would have voted against the motion.

Mr. MacMILLAN (Mackenzie): I was paired with the hon. member for North Huron (Mr. Spotton). Had I voted I would have voted against the motion.

Mr. RYERSON: I was paired with the hon. member for Norfolk-Elgin (Mr. Taylor). Had I voted I would have voted for the motion.

Mr. CASSELMAN: I was paired with the hon. member for Sherbrooke (Mr. Howard). Had I voted I would have voted for the motion.

Mr. McKENZIE (Assiniboia): I was paired with the hon. member for Durham (Mr. Bowen). Had I voted I would have voted against the motion.

Mr. BRASSET: I was paired with the hon. member for St. Ann (Mr. Sullivan). Had I voted I would have voted against the motion.

Mr. MITCHELL: I was paired with the hon. member for Toronto-High Park (Mr. Anderson). Had I voted I would have voted against the motion.

Mr. ROBINSON: I was paired with the hon. member for Portneuf (Mr. Desrochers). Had I voted I would have voted for the motion.

Mr. VALLANCE: I was paired with the hon. member for Wentworth (Mr. Wilson). Had I voted I would have voted against the motion.

Mr. HALL: I was paired with the hon. member for Victoria (Mr. Stinson). Had I voted I would have voted against the motion.

Mr. BELL (St. Antoine): I was paired with the hon. member for Beauharnois (Mr. Raymond). Had I voted I would have voted for the motion.

Mr. McDADE: I was paired with the hon. member for Laprairie-Napierville (Mr. Dupuis). Had I voted I would have voted for the motion.

Mr. THOMPSON (Simcoe): I was paired with the hon. member for Maisonneuve (Mr. Jean). Had I voted I would have voted for the motion.

Mr. PERRAS: I was paired with the hon. member for Stanstead (Mr. Hackett). Had I voted I would have voted against the motion.

Mr. SAUVE (Translation): I was paired with the hon. member for L'Assomption-Montcalm (Mr. Séguin). Had I voted I would have voted for the motion.

Mr. DUPRE (Translation): I was paired with the hon. member for Joliette (Mr. Ferland). Had I voted I would have voted for the motion.

Mr. ROBERGE (Translation): I was paired with the hon. member for Kingston (Mr. Ross). Had I voted I would have voted against the motion.

Mr. LACROIX (Translation): I was paired with the hon. member for Dufferin-Simcoe (Mr. Rowe). Had I voted I would have voted against the motion.

Mr. LAFLECHE (Translation): I was paired with hon. member for Drummond-Arthabaska (Mr. Girouard). Had I voted I would have voted for the motion.

Mr. DUGUAY (Translation): I was paired with the hon. member for Bagot (Mr. Dumaine). Had I voted I would have voted for the motion.

Mr. FOURNIER (Translation): I was paired with the hon. member for Pontiac (Mr. Belec). Had I voted I would have voted against the motion.

Motion agreed to and bill read the third time and passed.

[Mr. Robinson.]

MARKETING ACT

ORGANIZATION TO IMPROVE METHODS AND PRACTICES IN MARKETING NATURAL PRODUCTS

Hon. ROBERT WEIR Minister of Agriculture) moved the second reading of Bill No. 51, to improve the methods and practices of marketing of natural products in Canada and in export trade, and to make further provisions in connection therewith.

Some hon. MEMBERS: Explain.

Mr. WEIR (Melfort): Mr. Speaker, it is not my intention to speak at any great length on the second reading of this bill, because there will no doubt be ample opportunity to make any observations that I think it necessary to make when the bill is before the committee. It might not be amiss, however, for me to give a very brief review of the history of the marketing of natural products throughout the dominion from the beginning down to the present time, as it will serve to show why we have felt it necessary to introduce this bill. It is for the purpose of remedying some of the conditions that now exist in the marketing of natural products, and which we do not feel are in the interests of the producer.

Mr. POULIOT: May I ask a question? Would the minister kindly tell the house if this bill is to be referred to the committee of the whole house or sent to the agriculture committee?

Mr. WEIR (Melfort): The changes that have taken place in the marketing of agricultural and natural products since before there was any considerable growth of our urban centres will probably be within the memory of most hon. members of the house. In those early days the consumers very largely received their products directly from the producer. When the farmer slaughtered his animals, his own pigs, for example, he would sell and deliver them to the ultimate consumer, and at that time only did the producers in any considerable proportion receive one hundred cents on the dollar of what the consumer paid. Also, at that time the producer realized as perhaps he never has since the quality of the goods that the consumer demanded. But the growth of our urban centres and the increasing distance of the producer from his market necessitated a change in the marketing of natural products in their raw or semi-manufactured state. It was necessary that marketing should become much more specialized.

Jumping across that gap we find at the present time the following conditions in

marketing. We have the producer located on the farm or in the forest or on the sea, or wherever his products are produced. Then we have assembling agents for the taking over of these products from the producer in less than carload lots or in small quantities. These agents assemble the products in centres where a still further assembling takes place. Then the products are carried to the wholesalers or in some cases to manufacturers or processors who are also wholesalers. Next the product passes through the hands of the brokers, and from the brokers it goes to the wholesalers who are distributing the particular product. From the wholesaler it goes to the retailer and lastly from the retailer to the consumer. On the one hand, in the majority of cases there is the assembling at a central point, and then the distribution. This means many costs which cannot be eliminated. First, there is the assembling; second, there is the cost of transportation; then there is the cost of storing, the cost of financing, the cost of insurance and also the profit of those who handle the goods in the different stages. There are similar costs in the movement from the manufacturer or from the centre of this process to the consumer. Here again there is the cost of shipping, the cost of insurance and the cost of storing or holding the goods before releasing to the consumer.

The consumers themselves make many demands. They ask to have the goods distributed in very small quantities. For example, they ask for small quantities of cornflakes, of rolled oats or canned goods. They have also demanded that these products be distributed very quickly, within half an hour or an hour of the time they are ordered. As a result of these demands of a higher civilization, and as a result of our higher standards of living, there has grown up a great spread or difference between what the producer gets and what the consumer pays for an article. If we can reduce that cost of distribution or that spread between what the consumer pays and the producer gets to a minimum, without cramping in any way the operation necessary to bring that about, we will have gone as far as any human agency can go in solving the problem of distribution. If a distributor realizes that his success or his profit must take place within a certain range or between certain limits, his whole effort will be gauged by the quantity of goods which he can distribute and the most efficient way in which that distribution can be brought about. Therefore, I say that if that condition can be brought about we shall have gone a long way towards solving what many in this house have stated is the major question at the present time, that is, of distribution rather than of production.

I am not one of those who feel that the spread between what the producer gets and what the consumer pays is due to the profits or costs of the trade alone. I believe that we as producers are to blame to a great extent for this spread. If the cooperative and other organized trade were certain that they could receive a certain quality of goods in a uniform volume, a great deal of the cost entailed under present conditions would be eliminated. The trade could look ahead and build up its supply so that it would have a uniform quantity at its disposal, whereas at present it is not certain that it can get this supply from the producers. As I say, the producers themselves are to blame to a great extent for the spread which does exist.

This development which has taken place in the marketing of natural products is due to the producer finding himself far removed from the consumer. He has not been in a position to know exactly the quality of goods which the consumer desired. Neither could he understand when he picked up a paper why a consumer had paid two or three times what he had received for a product which in some cases he had produced only a week or two weeks before. This condition of affairs has had a very unsettling and disturbing effect upon the primary producers of the country and this effect has been increased and accentuated by the press and by the great number of public and political speakers—no party is free from this—who have gone through the country stirring up the producers by telling them that they were not receiving a fair share of the consumer's dollar and were being exploited by the middlemen, it is because of this that there is such difficulty in having the producer produce goods of the quality required and deliver a uniform and continuous supply. When he is asked to do this in many cases his reply is: What is the use of my trying to produce a higher quality of goods in sufficient quantity, because the trade takes far more than its legitimate share; the more I produce, the more the trade benefits; I do not seem to benefit to any great degree. This attitude has had a bad effect upon the improvement of quality and production. If we can instil into the producer a confidence that he will not be exploited, that he will be given a fair share of the consumer's dollar, or the greatest possible share, without interfering with the necessary cost of distribution, whether it be through cooperatives or government machinery, whether it be by

control over the legitimate or organized trade, then and not until then will the primary producer give one hundred per cent of his efforts to the production of a high quality product.

In an effort to overcome the costs which the producer felt were greater than they should be, cooperative agencies were set up throughout the country. The producers combined to control their own products with a view to eliminating some of what they felt to be unnecessary costs. The result desired was that the producer should get for his labour greater return from the consumer's dollar. However, in many cases these cooperative enterprises have not been the success which it was hoped they would be when they were organized. I am a member of a goodly number of these cooperative associations, so that what I say of them in a critical manner will be a criticism of myself and the other members of the associations. The purpose of these associations was very praiseworthy. In idea or theory they were one hundred per cent correct, but in many cases they have fallen short of achieving the purposes for which they were organized. If they had not fallen short of their objectives it would not be necessary for me to be here to-night speaking on the second reading of this marketing bill.

I should like to give the house what I believe to be some of the reasons why these cooperative associations failed. It was first necessary to inspire the producer to join these associations to market his goods and thereby decrease the cost of marketing. In order to carry out this work a man or woman had to have certain qualities—one might almost say missionary or inspirational qualities—in order to inspire the masses with the idea that it was to their own advantage to combine to market their products. In many cases the men who had been responsible for the organization of the association were placed at the head, the members forgetting entirely that it required a different type of man to manage the business. This, I believe, is one reason for the failures of some of them.

Another reason is, I think, that the cooperative organization devoted too much, if not their entire attention to the marketing of the product and in many cases lost sight almost completely of the improvement of quality and the continuity of supply. Had many of those cooperative organizations given the same effort to improvement of the quality of the goods they produced, thus ensuring to the consumer that through the organization he could get this quality of goods, it would have meant the difference between success and failure of many of those enterprises.

Another reason, I believe, that some cooperative organizations have failed is the constant effort made by private enterprises against the success of the cooperatives, because they recognized in them, and rightly so, one of their most dangerous competitors. The private interests were organized and could combine to meet what they perhaps felt was a keen enemy, so that it is possible that many of the cooperatives met defeat before sufficient reserves had been built up, before an efficient management could be installed and, in fact, even before they got started on their way toward making a success.

I believe another reason for their failure has been that too soon after they were organized the majority of the executive, as a matter of fact, the entire executive in some cases consisted of men well chosen for their business ability, but had not on it people who were vitally, financially interested in the production of the goods, and because there were not people of that type on the executive or at least in a position to advise the management, there was lacking in that management that close touch with the problems of the producer which it was the purpose of the cooperative organizations to solve.

I have omitted perhaps one of the greatest reasons and it is this: we are told and told authoritatively that the reason for the failure of some of those organizations, and especially under certain conditions, is the fact that there has been enough produced outside the cooperative organization to depress the market of those who were inside the organization. That is, a sufficient proportion of the goods produced were not controlled by the cooperative organization and it could be used to depress the market and to make it impossible for the others to carry on as efficiently as they otherwise would.

I may have seemed so far to be a little too harshly critical of the cooperatives, but I have taken the time to discuss the situation, because I feel that this will have a considerable bearing on what we shall have to say later on and also in the working out of the legislation provided for in this bill. Although it seems at first that in many instances the cooperatives have failed, I am not nearly so much discouraged at the failures that have taken place when the obstacles they were up against, wth a complete lack of experience and training are considered, as I am encouraged by the great success that, in spite of those same difficulties, has been made by a very large number of cooperative marketing

organizations throughout the dominion. It will be of interest for the house to learn that in 1932, for which year we have the last reliable record, there were 795 cooperative organizations operating actively in the Dominion of Canada with a membership of 2,692 branches. Therefore, although from time to time failures of cooperative marketing organizations have been brought to our attention, I am sure every hon. member will feel that with such a considerable number of cooperatives and their branches still functioning satisfactorily, they have made considerable progress even in spite of almost unsurmountable odds.

If there is within the sound of my voice any person who has given any thought to this question and who feels that with the condition of marketing as it is at the present time, there is nothing to be gained by this bill then there can be no need in his mind for this bill. But I am sure there are many in the house who have given serious thought to the marketing of natural products, who have been surprised at the great wastage, in spite of the combined efforts of private and co-operative organizations, in the marketing of our products. One reason for the wastage, for instance, in the marketing of cattle is that the marketing is not regulated, the production is not planned. Of late there has been a good deal of discussion on that question by different public bodies. Let us take, for example, a veal calf that is ready to be marketed. It is sent to the local stockyards where it is thrown in amongst strange stock before it has even learned how to eat grain or hay. It is sent up the chute and it is lost, not knowing what to do. There it will be buffeted about in being forced into the stock car where it also finds itself among strange surroundings. It may be unloaded again before it gets to the final market. It comes to the market finally but was unable during all this time to maintain the flesh and condition it had when it was sold by the original producer. Someone may say that that is rather an extreme case. It is, perhaps, an extreme case so far as cattle are concerned, but when one considers the hundreds of thousands of calves that are marketed in such a condition, we shall see that it is not by any means so extreme. If this animal is not marketed almost immediately it arrives at the stockyards after the journey which has brought it into such a condition, the loss that is sustained will make it scarcely worth marketing, because any farmer who has experience in raising stock —and the better quality it is the more it is likely to suffer under such conditions—will agree that if it is not marketed within a period of four or five days, it is practically not worth marketing; there is nothing left but skin and bone. The same thing is true of highly finished young cattle that have to go through the same treatment.

Let me give an illustration that will be better understood by hon. members who are not so familiar with the marketing of live stock. It has no doubt come to the attention of every hon. member that if in the summer or the fall one goes down to a Saturday night market, one will find baskets of peaches there just commencing to get overripe and can buy them for almost nothing. The storekeeper considers this to be a sacrifice sale. I maintain there is no product that is more often sold at a sacrifice than cattle, hogs or lambs once they are out of the hands of the producer. If in one breath people claim that everything should be sold through the stockyards and in the next say there are organizations in this country that agree among themselves as to what they shall pay for our natural products, we have this picture: we have all the stock forced into the stockyards, as many as 5,000 head in one yard, and according to the other argument there may be no competition because of an agreement among large purchasers that they will pay just what they wish. All they have to do is to remain off that market for a day or two and they will be able to buy that product for whatever they want to pay, because it cannot be held without terrific loss. Following this, I would say that the time for a producer to sell his article at the greatest profit is, in the case of the farmer, before it leaves his own farm. If small cooperative units were developed which would stress quality production and could control enough live stock or cattle to enable them to bargain with the trade and arrange that the product should be bought on the farms, then the purchaser would have a greater interest in quality and this would make certain, in a way that the farmer or producer cannot now do, that it would reach its ultimate destination in good condition for manufacture.

The same thing applies in connection with pigs, sheep, or fruit, particularly apples. Those of you who have been engaged in the production or have watched the marketing of apples have seen the great waste that there often is between the time they are ready for sale and the time they are sold. For instance, we have cold storage plants throughout the dominion, erected for the purpose of preserving fruit and apples so that they may be kept in better condition for sale. It is known by those

interested that if there is delay in getting apples into these storage plants they may deteriorate as much in one day outside as in ten days when placed in proper storage. The same can be said with reference to poultry and other agricultural products. As long as there is this wastage which I have endeavoured briefly to outline I think every one will agree that there is room for great improvement in the marketing of farm products.

Then our products are sold in two markets: for export, and for domestic consumption. If often happens that a small surplus sold in the export market affects injuriously the price of the whole quantity sold in the domestic market, and especially now when world competition is so keen it is necessary that we should take every possible care to make certain that our goods when sold on the export market shall be of a quality that will create a demand for Canadian products. Anyone who has followed the matter at all closely will agree that some of the products that go from the dominion to the world market at present have a bad effect on the demand. I believe that steps, not too drastic, should be taken to prevent products that would have a detrimental effect on the demand for our goods from going out. Then in connection with our domestic market, it will be of interest to the house to learn—it was a surprise to myself when I learned it first—of the very high percentage of some of our natural products absorbed by the domestic market. For example, the percentage of home consumption of certain items is as follows:

Eggs	99·8
Sheep and lamb	99·4
Butter	98·9
Poultry	98·3
Cattle and beef	97·3
Potatoes	96·9
Hogs and pork	95·4
Oats	94·1
Barley	88·2

The only way that a greater return can be obtained for the producer is by some change in the method of marketing, to eliminate some of the wastage that I have outlined.

Another instance of wastage is in connection with live stock. In October and November of 1933 over 38,000 more cattle were marketed in the dominion than in October and November of 1932. They were to a great extent cattle that were not ready to be slaughtered at the time they were marketed, and the result was not only a sacrifice for the people who sold them, resulting in a poor price to them, but a decline quite out of proportion to their number in the price of better cattle. Some farmers who had feed could not buy these cattle to finish them because they had no money, while other farmers who had money were short of feed.

I think then that everyone will agree that there has been wastage, and that it is to the interest of all that the producer should receive more for his product. A great deal of thought and consideration has been given to the preparation of this marketing bill. Because of the great variety of natural products of the dominion, of the large area from which products of similar type are drawn, and of the difficulties arising out of the respective rights of the provinces and the dominion, it has been no easy task to formulate a plan to bring about improvement in the marketing of our natural products. It was felt that it was impossible to see far enough into the future the needs and difficulties that would arise in the marketing of these various products, especially with agriculture in its present condition, to permit of rigid provisions. Therefore it was felt that the bill should be flexible, giving opportunity for producers and groups of producers to submit their collective ideas concerning the marketing of their products. Ample provision is made to give to the producer the fullest measure of control of the product, if he wishes to organize, with a view to the production of a high quality product coming on the market at a planned rate. Power is given in the bill to make certain that undue profits will not be taken by those engaged in the work of marketing. That will apply just as much to the co-operative organization as to the private trader. I believe cooperative organizations for buying and selling have come into being largely because it was felt that there was no control of the spread or toll taken from the producer in the marketing of his goods. At the same time if they feel they can market their goods more economically by combined and co-operative effort, provision is made to enable them to do so. I have discussed this bill with the trade as well as with the cooperatives; they also see the necessity of it, because they realize that they have paid a great price owing to there having been no regulation or planning of production and quality of product. I personally believe that in large measure the organized trade, trained as it is in the specialized business of getting the product from the producer to the consumer, is the best and cheapest method of carrying on the business. On the other hand, while the producers were becoming organized in order to carry on the work of regulating, and in some cases, selling their own products, it was thought only fair that the government should take the necessary powers to assist those engaged in agriculture

or any other primary industry while that work of organization was going on.

There will be ample time for further discussion of this bill, but in summing up let me say that there are only three principles contained in the measure. The first principle is to give the producers, to the extent indicated by their organizing powers, the control, regulation and marketing of their own products. I think all hon. members will agree that this is sound, that no person understands the problem better than it is understood by the primary producers. They are the men who have more at stake than any others. In the second place the very fact that they are organizing and are getting closer to their market and the needs of the consumer will show them, as nothing else will, the necessity of producing a high quality product in a planned way so as to furnish a continuous supply to the market. Much of the necessary work has been done, some of it before this government came into power. The legislation passed during the last three years setting up standards for products offered for sale; the creation of machinery to make certain that products will come to the market only when properly labelled and graded, all have paved the way for this further step that it is felt will benefit still further, the primary producer.

In the next place, as I have said, it is felt that this plan is necessary so that the primary producers may devote themselves wholeheartedly to production and be assured that the range within which marketing operation takes place will be limited in order to prevent any undue profit, at the same time seeing to it that the most efficient method of transferring the products, either in the raw or manufactured state, to the consumer is not interfered with. It is also felt—and I doubt if any hon. member who has been in public life for any length of time has not made this statement, particularly before an election—that agriculture is the basic industry of Canada, that this country cannot succeed if agriculture and the other primary industries do not succeed. You may go into any store or office in our great cities of Montreal and Toronto; you do not have to go back very far to trace the connection between that store, and the man or woman engaged in that business, and the primary producer who has made possible these great cities with their large buildings, universities, shops and homes. The people in these cities are much more dependent on the primary producer than many of them realize in the ordinary run of business. Therefore I am sure no hon. member will object, once having made the statement that the success of this country depends upon agriculture, if this government sees fit to put the resources of the dominion as may be necessary, behind the marketing of the primary products of the country.

I had hoped that there would be little controversy in connection with this bill. No one realizes and appreciates more than I do the fact that it is far from perfect. There are great obstacles to the working out of any such system, but the fact that there are obstacles is no reason why we should not endeavour to surmount those obstacles. I believe the experience gained in the first year of the operation of this bill will do more to bring it to perfection than perhaps hours of discussion in this house, because, after all, to a large extent it is an experiment. In this experiment, however, we have kept in mind three things. The first is that it must be sound, the second that it must be simple of operation, and the third that it must be practical. I regret to say that the right hon. leader of the opposition (Mr. Mackenzie King) has dashed some of my hopes so far as the lack of controversy goes. It is reported that last week, from a public platform, he stated that this bill would not make any contribution to agriculture, that it would be of no assistance at all. If that statement was made I regret it very much, because it is so sweeping. I have before me many resolutions of appreciation with regard to the bill, not only from producers from one end of the country to the other—supporting it one hundred per cent—but also from boards of trade and other business organizations that realize as they never did before this depression struck us that their continuous success depends more upon the success of the primary producer than upon anything else. I do trust, however, that this bill will be discussed in the spirit in which it is presented. In its preparation we endeavoured to obtain all the points of view possible so far as the organized producers were concerned, at the same time discussing it frankly and freely with those whose business primarily has been that of marketing.

Mr. NEILL: Just before the minister sits down will he say something about part II of the bill? He has not mentioned it.

Mr. WEIR (Melfort): I thought I had mentioned part II of the bill a number of times.

Mr. GRAY: Will the bill be referred to the committee on agriculture and colonization?

Mr. WEIR (Melfort): My own feeling is that there would be no advantage in submitting it to the agriculture committee; I

do not see any need to bring witnesses, as has been done in connection with some other bills we have brought forward. I think hon. members, other than those belonging to the agriculture committee, will be just as anxious to discuss this bill.

Mr. VALLANCE: Might I ask the minister a question?

Mr. SPEAKER: I would remind the hon. member that the house is not in committee. The minister has moved the second reading of the bill, and he has completed his remarks.

Mr. VALLANCE: If the minister does not wish to answer my question I am quite content to let it stand.

Mr. HARRY BUTCHER (Last Mountain): At the very outset of my remarks, Mr. Speaker, I wish to say that I agree with practically every word spoken by the Minister of Agriculture (Mr. Weir) to-night. I agree as to the necessity for some action on the part of the government; I agree on the need for some improvement in marketing methods; I agree that there has been great wastage in our marketing practices and I agree that the producer must get more for his product if this country is to prosper. I agree that the quality of our products must be maintained, and I agree that three steps in that direction have been taken this session in the passing of the Dairy Products Act, the Fruit and Honey Act and the act with respect to live stock. I agree as to the merits of the co-operative organizations we have had in Canada during the past few years. Some of those organizations have been highly successful, and some have not been so successful. I believe that the organizations which have not been successful have failed for the very reasons the minister has described. I am convinced that there is great need for improvement in our marketing methods, but I am sorry to say I must disagree with the minister when he concludes that the bill before us to-night, if enacted, will result in very great improvement in them. I am a firm believer in cooperation, and without hesitation I say there is no man in this House of Commons who believes more than I do in co-operation between the producers and consumers, and on the part of all who trade with each other. I am not convinced, however, that this measure will in any degree or to any extent improve upon voluntary co-operation properly managed and well directed. I believe in government assistance to co-operation, but when we come to regimentation of men, as I fancy I see in this bill, whether proposed by people who believe in it or people who do not, then I most strenuously object.

In the preamble to the bill I find it described as follows:

> An act to improve the methods and practices involved in the marketing of natural products in Canada and in export trade, and to make further provision in connection therewith.

If I believed that this bill, if brought into operation, would result in that which is set forth in the preamble, I would heartily support it, but unfortunately there are so many features in the bill to which I must object that I am going to accept the invitation of the minister and enter into a controversy here and now in connection with some of the principles embodied in it.

To begin with, I believe the main principle of the bill may be described as being one of compulsory cooperation, which I regard as a contradiction in terms, although it is an expression commonly used. I do not think that the people of Canada are yet ready for this type of legislation. I am not willing to believe that it would be acceptable to the people of Canada as a whole. I know that from east to west much approval of the bill has been expressed. The subject with which most of the people in the prairie provinces are concerned is that of wheat, and at this moment many of the farmers regard this measure as applicable principally to that commodity. In supporting the measure now before us they have in mind the old wheat board which functioned some years ago, and regard this measure as a sort of reincarnation of that board. However I cannot imagine any two bodies which could be more different than a board under a marketing scheme to be set up under this bill and the old wheat board to which I have just referred. In my view there is no comparison at all. When the wheat board was operating no restrictions of any kind were placed upon the grower. On the other hand, he was encouraged to increase his acreage; he was encouraged to grow as much wheat as he possibly could. The desire of the country and that of the allies was that as much wheat as possible should be raised in Canada. The farmer in those days could grow as much of any variety of wheat as he wished. He was assured of a market for every bushel of it. Best of all he knew he would receive a big price for his product. The farmer to-day has in mind that some of those results will be achieved through this legislation. In my opinion however exactly the reverse will be the case. I firmly believe that the farmer who acquaints himself with the provisions of the bill will

come to the conclusion that it is distinctly against his interests. Those who already have approved have done so, in my opinion, either without knowledge of the contents of the bill or without due appreciation of their significance.

When the bill was placed on my file I availed myself of the first opportunity to take it to my room, read it and study it. I tried first to discover how a marketing scheme would be brought into existence, then the kind of products which would be regulated, then the degree of regulation, and finally the nature of the regulating authority. I found, as all members who will study the bill will find, that the products to be regulated are natural products, products of agriculture, the forest, the sea, and of the lakes or rivers.

Probably at this point I would do well to read the section to which I have referred, namely, subsection (e) of section 2:

"natural products" means any product of agriculture or of the forest, sea, lake or river, and any article of food or drink wholly or partly manufactured or derived from any such product.

I believe if hon. members will examine this section they will find that the expressions contained therein cover practically all the food we use. They include wheat and other grains, milk and eggs, fruit, live stock and cattle, hogs, either in their natural condition or processed.

Then as to how the scheme may be brought into operation, I find that a representative number of persons engaged in the production and marketing or in the production or marketing of any one of these natural products may approach the governor in council with a petition asking that a scheme be set up. I suggest the proposed legislation is deficient in that it does not define what may be a representative number of persons. My suggestion is that it should be more definite in that respect. Perhaps the president and two or three directors of an organization may approach the minister with a petition. May I add at this point that I am not referring to the Minister of Agriculture (Mr. Weir) because the act does not state what particular minister shall control this legislation when it becomes law. The fact remains however that a representative number of persons may ask for a marketing scheme, and the minister is the sole judge as to whether these petitioners really represent the whole of the producers of that product. In his wisdom he may decide that these three or four officials who have approached him are really representatives. In fact, they may assure him that they represent 20,000, 30,000 or 40,000 producers. I suggest however that that would be no evidence that they do represent those producers. Within the past few years there have been instances where the directors and officers of organizations have represented themselves as speaking for the whole of those organizations when, in fact, the truth was that in many of those cases the majority of the producers have not held the same views as were held by their officers. I suggest the bill should be much more specific in this regard, and at a later point in my remarks I shall compare this legislation with the British marketing legislation in this respect.

Then, I believe that only those who are engaged in the production of one of these natural products should decide whether or not there should be a marketing scheme in connection therewith. That decision should not be left to those who are simply marketing the product. The minister has to decide, but the measure does not state what shall be the basis of his decision. If the minister is satisfied that the petitioners represent the whole of the producers he may refer the matter to the marketing board. The board may report to the minister who if the report is favourable will bring the matter before the governor in council. The scheme will then be put in force subject to two reservations only. I think there is a great weakness in the bill in that respect, but I propose to touch on that a little later when referring to the British marketing act.

There is another section of this bill to which I object even more strenuously, and that is section 9. Without offence I would say that the discretion provided for in this section should not be left to the minister. Section 9 reads:

Notwithstanding that no petition in relation to any natural product has been filed, the minister may, if he is satisfied that the trade and commerce in the said product is injuriously affected by the lack of a local board to regulate such product, at any time propose a scheme for the marketing of such product, and the governor in council may approve of such scheme and authorize the board to administer such scheme directly or through any agency which it may establish. Such scheme shall continue in force until terminated by the governor in council.

It may be observed that the minister does not have to invite the board to make a report on the proposed scheme. He proceeds to propose the scheme to the governor in council and the governor in council may authorize it. Again I intend to refer to the provisions of the British Marketing Act a little later on in connection with that feature of the bill.

As to the kind and degree of regulation made possible under this act we find by section 4 (1) that the powers of the board are exceedingly broad:

The board shall, subject to the provisions of this act, have power

(a) to regulate the time and place of marketing the regulated product, and to determine the manner of distribution and the quantity and quality or grade of the regulated product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade or quality.

That is to my mind a tremendous power to place in the hands of the board, a power that I certainly should not be willing to place there. Section 4 continues:

(b) to exempt from any determination or order any person or class of persons engaged in the production or marketing of the regulated product or any class, variety or grade of such product.

Then follow three or four paragraphs to which I have no objection. But here is one to which I think decided objection should be offered:

(f) to require any or all persons engaged in the production or marketing of the regulated product to register their names, addresses and occupations with the board, or to obtain a licence from the board, and such licence shall be subject to cancellation by the board for violation of any provision of this act or regulation made thereunder;

If it is the intention that a poll should be held in accordance with the provisions of the Marketing Act in Great Britain, it will be necessary of course for the producers to be registered, but if there are to be no steps other than those already proposed in this bill for the formation of the scheme, I think this provision is highly unnecessary. It should not be necessary for the small farmer who produces a few pounds of butter weekly or raises one or two head of cattle occasionally to have to procure a licence from the board to produce these products. I do not think there is anything suggested with regard to the other powers of the board to which I would raise objection.

A few words now with regard to the regulating authority. We have first the marketing board. If the act should pass and the dominion marketing board be set up I do not see that there could be any objection raised to the constitution of the board as provided by this bill, or as to the manner of the creation of that board. But with regard to the local boards I think we may justly raise objection.

Section 5 provides for the erection of a local board. A petition may be presented by a representative number of persons which shall state first of all the natural product to be the subject of the scheme of regulation; it shall present the proposed scheme in sufficient detail, including arrangements for organization and administration under the supervision of the board, to enable the governor in council to consider its expediency; it must set out "the powers hereinbefore mentioned"—that is the powers conferred upon the board in section 4, "which it is proposed shall be exercised by the local board under the board"; also full information respecting the quantity of the product produced and the markets therefor; the number of persons who shall comprise the local board and the basis of their selection, and so on.

I can imagine that local boards being set up all over the country will be an intolerable nuisance to the farmers whose products they handle. That is my profound conviction. It seems to me that by this bill we are creating a large number of officials who, as I have said, will be a nuisance to the producers.

I want for a few moments to compare the provisions of this bill with those of the Agricultural Marketing Act of Great Britain. I firmly believe that majorities should rule, and if our act were framed somewhat on the basis of the British act, and if the scheme could be brought into force in Canada only by the same means as a similar one can be in Great Britain, I think I should have to support the bill.

I find that in Great Britain this is what happens. First of all there must be submitted to the minister the scheme that is the mind of the producer or producers. Any number may submit the scheme, but they must satisfy the minister that they substantially represent the producers of the product sought to be regulated, both as to number of persons and quantity of product. Any petitioner or body of petitioners may present a scheme to the minister. That step is precisely the same as must be taken in Canada.

But now we find a difference in the operations of the British Marketing Act as compared with ours. The minister must cause to be published in the Gazette and elsewhere at his discretion a notice of the submission of the scheme, and of the place where copies thereof may be obtained. The minister in that notice invites objections and suggested modifications. When the modifications suggested and the objections offered have been made known to him it is the minister's duty to consider them, and unless he considers them frivolous he shall direct a public inquiry to be held and shall consider the report of the person holding the inquiry. I might state

that I am summarizing the provisions of the British Act, paraphrasing, not quoting, the sections.

This inquiry must be held in accordance with certain rules which have been made by the minister and approved by both houses of parliament.

If the report following the inquiry should lead the minister to make modifications in the scheme these modifications shall be submitted for the approval of from nine to twenty-one persons nominated by the persons submitting the scheme.

If the minister is now satisfied that the scheme will "conduce to the work of efficient production and marketing of the regulated product" he shall "lay before each house of parliament a draft of the scheme," and if each house approves the minister shall make an order approving the scheme. But it is to be noted that when the minister lays the scheme before the houses of parliament for their consideration he must lay before each house a report as to the evidence by which he has been satisfied that the persons submitting the scheme were duly representative of the producers.

Both houses of parliament having approved the scheme the minister shall make an order approving it. The operation of the scheme shall be suspended during what is known as a "suspensory period," beginning when the scheme is approved and ending not less than one month nor more than two months after the poll has been taken.

The minister on laying before the houses of parliament a draft of the scheme—I have outlined this provision already but I will repeat it—must lay before each a report "as to the evidence by which he has been satisfied that the persons submitting the scheme were duly representative." The scheme shall provide for the constitution of a board to administer this scheme, which board shall be composed of registered producers elected by them in such manner as may be provided in the scheme. All this having been done, the minister now shall cause to be published in such newspapers, published in the area in which the scheme is applicable, as the minister may direct, a form of application for registration as a producer under the scheme. It may be pointed out here that any producer who is not registered is prohibited from selling his product. This form of application shall state that a poll of registered producers is to be taken on the question whether the scheme shall remain in force, and specifying the date. A poll of registered producers is then held and the scheme shall come into force at the expiration of the suspensory period if the poll shows that there have voted in favour of the scheme, first, not less than two-thirds of the total number of registered producers voting on the poll and, second, registered producers who are capable of producing not less than two-thirds of the regulated product which all the registered producers voting on the poll are capable of producing. It is also provided that if it shall be proved to the satisfaction of the minister that the number of producers voting on the poll was less than half the total number of producers, he shall forthwith by order revoke the scheme. It will be seen that this act provides that a small minority of producers cannot act against the will of the majority. The safeguards are quite ample in that respect.

There are certain safeguarding provisions from the consumer's standpoint. While our bill contains certain provisions for the protection of the consumer, I think the British act is much better with respect to price spreads. A chairman and six members to represent the interests of the consumers shall be appointed by the minister and shall be called a consumers' committee. They shall be charged with the duty of considering and reporting to the minister on, first, the effect of any scheme on consumers of the regulated product and, second, any complaints made to the committee as to the effect of any such scheme on consumers of the regulated product. Another committee is to be appointed, an investigating committee. The minister shall appoint a committee of investigation, consisting of a chairman and four members, to consider and report to the minister on any report made by a consumers' committee. If a committee of investigation reports to the minister that any provision of a scheme or any act or omission of a board is contrary to the interests of consumers of a regulated product, or contrary to the interests of the public, the minister may, after consultation with the board of trade, first, by order make such amendments as he considers necessary or expedient or, second, revoke the scheme. This cannot be done unless and until it has been approved by a resolution passed by each house of parliament.

I consider that to be a really democratic bill. It provides that at least two-thirds of the producers must be in favour of a marketing scheme before it can be brought into force. I believe that the majority should rule and I should be content if this bill contained similar safeguards. Even if that were done, I still believe that within a few years the producers themselves will regret the

enactment of this bill and will ask for a revocation of the scheme.

This bill contains principles to which I cannot subscribe and I shall have to say quite reluctantly that I cannot support it. I believe in the sincerity of the minister and I am confident that there is no hon. member more desirous of doing the very best that can be done for farm and other producers.

Mr. J. L. ILSLEY (Hants-Kings): Mr. Speaker, I come from a part of the Dominion of Canada in which there has been some demand for the establishing of a marketing board for the natural products of this country, therefore I have watched with a great deal of interest the introduction of this bill and followed closely the explanation given by the minister on the motion for second reading. During the Easter recess I took the opportunity of consulting with fruit growers' organizations in Nova Scotia and with other people who are interested in the fruit industry. I discussed the provisions of this bill and received a variety of representations. Some of those interested in the fruit industry were disposed to be exceedingly critical of the bill, while others were disposed to be friendly to it. However, as a member of parliament representing the largest fruit exporting district in Canada it becomes my duty to exercise my individual judgment upon the bill. I have been endeavouring to do this during the past few days with a view to deciding what stand I should take upon the motion for second reading.

While I am disposed to compliment the minister upon the tone and character of his speech, I cannot help regretting that he did not take up the bill itself and give the reasons why various clauses had been inserted—particularly section 4—and an explanation for his departure from the Agricultural Marketing Act of Great Britain, which has been so fully and ably dealt with by the hon. member for Last Mountain (Mr. Butcher). If we pass this bill we will be delegating immense powers to some minister, presumably the Minister of Agriculture (Mr. Weir) although it may possibly be the Minister of Trade and Commerce (Mr. Stevens). The operation of the legislation will depend upon how the minister exercises those powers. I think the minister owed it to those of us who are deeply interested in this legislation to give us a much fuller explanation of the clauses of the bill and the intentions of the government when the bill has become law. It has been suggested that the legislation is intended to remain a dead letter, its introduction being on the eve of an election and the government having no intention of taking any effective action under it. I have no grounds for saying that that is the case, but if the government has a well thought out and defined policy of marketing, the minister should give us information in that regard on the second reading of the bill. But the minister did not do so, and we have to take the bill as it stands. We cannot assume that the drastic powers which are conferred upon the government by this measure will not be exercised. Some of those in my constituency who urged that I support this bill have said: "Yes, these powers are exceedingly drastic, and we can understand how in their working out great injustice might be done or great inconvenience suffered, but we must not assume that the government will misuse the powers granted under the bill or need not assume that the government will invoke those powers." I do not think a member of parliament should vote to confer powers the exercise of which he disapproves. For this reason I am afraid that I shall have to oppose the bill as it stands.

Having gone so far, I think I owe it to my constituents and perhaps to the house to give the reasons for the position I take. In order to do that I must put before the house what I consider to be a picture of the legislation. I want to make it clear that this bill does not set up only one board. Some of the language, particularly that in clause 4, seems to be especially applicable to the fruit industry, and for that reason it may be convenient to set forth what I understand to be the plan or intention of the government in reference to that industry.

In the first place, and at the top of the system, there will be a dominion marketing board consisting probably of three members. Beneath that dominion marketing board, which will have to do, of course, not only with apples but with natural products as a whole, there shall or may be a commodity board which will have to do with apples or fruit alone, and it will be the duty of that commodity board to reconcile the conflicting interests and coordinate the different demands of the various apple producing provinces. That will be necessary; the only alternative will be another fruit branch under the dominion marketing board itself. It does not make much difference which you have; extensive machinery will be required to look after the fruit industry as such if fruit is brought within the provisions of this measure.

That is the second board. Under those two boards will be of necessity a provincial board dealing with fruit, and the provincial board

will formulate its demands and make its recommendations. The recommendations will go up to the second board, which will approve or disapprove or modify them, as the case may be, and then pass on to the uppermost board of all, the dominion marketing board, which will issue the effective orders and directions. That machinery is complicated, cumbersome and of necessity will be expensive. The first point, however, that I want to make is not precisely that, but the fact that we are talking about setting up in the dominion not one board, but many boards, not only in the fruit industry, but in all the other natural products industries.

A second feature of the proposed legislation we should have clearly before us is that it is designed to deal only with natural products. But the definition of natural products is, I am afraid, not clear as given in the bill. It certainly applies to the products of the farm, the forest, the sea, the lake and the river, but it also applies to certain manufactured products, namely, "any article of food or drink wholly or partly manufactured or derived from any such product." One question I should like to ask the minister is this: Is the proposed legislation confined to manufactured products so defined or is it applicable also to other manufactured products which arguably may be products of agriculture, the forest, the sea, the lake or the river? Does it apply to lumber, or is that a manufactured product and not within the section because it is not a food or a drink? Does it apply to pulp or paper? Will they be considered products of the forest or manufactured or derivative products and not within the section because they are not food or drink? That point should be cleared up. There is no such ambiguity in the British act which applies to agricultural products alone.

A third feature of the bill to which I desire to draw attention is that these marketing boards are not to take the natural products of Canada and market them. They do not buy them, handle them, process them, or sell them; they leave the marketing of the products in the hands of the producers or shippers themselves. They issue a series of orders to the shippers; they say to them: You shall send your goods to this, that or the other market; you shall keep a certain quantity of them at home; you shall feed your goods on to the market both in and out of this country in accordance with this series of orders or directions which we shall issue to you from time to time. If the system were one under which the marketing boards acquired, handled, processed and disposed of the total natural products of the country, it might to some extent be a more effective way of dealing with the matter. It would be far more socialistic than this, but perhaps not any worse on that account. I am not advocating that alternative; I am merely pointing out that this measure imposes upon a competitive capitalistic economy such as we have in this country a bureaucratic interference from above through a series of marketing boards.

The fourth point I should like to mention is that this bill does not follow the British marketing act. The hon. member for Last Mountain made that very clear, and he read the provisions of the Agricultural Marketing Act. He watched, as we watched, very carefully the provisions of this legislation to see in what respects it departed from the British marketing act, and without going into technicalities I think the matter may be summed up by saying that there are four points of departure. They can be stated very simply. The first is that the Agricultural Marketing Act of Great Britain does not set up a marketing board at all. There the minister and the department, subject to parliament, preserve full sovereignty and authority over marketing activities so that there is no duplication of governmental machinery as there will be under this bill. That is the first point of difference between the Agricultural Marketing Act of Great Britain and the legislation now proposed for Canada.

The second is that the producers in Great Britain are protected under their legislation and our producers are not protected under ours—and I use the word "protection" not in the fiscal or tariff sense but in the ordinary dictionary sense. The hon. member for Last Mountain indicated the manner in which the producers over there are protected under the British legislation. In Great Britain they must originate the scheme; it cannot be forced upon them from above as it may be under this legislation by the minister himself, and elaborate provisions are made for voting by polls. Two thirds in number and two-thirds in productive capacity must approve a scheme in Great Britain before it can be forced upon the other one-third; and not only that, but half the registered producers in the industry must vote at the polls. There is no such protective provision in this legislation; it is wide open. Moreover, there is no provision for any particular majority or even for a majority at all. A number of persons in the industry may come forward with a scheme, and if the minister thinks they constitute a representative number he may approve the scheme or may himself originate a scheme without any-

body in the industry wanting it. In that respect the producers in Canada have no protection whereas British producers are protected under the British legislation.

The third respect in which this bill differs from the British act is that the British consumer is protected, whereas there is no protection for the Canadian consumer—and again I am speaking of protection not in the fiscal but in the dictionary sense. I would refer the minister to the provisions of the British act, section 9, subsection 2:

A consumers' committee shall—
(b) be charged with the duty of considering and reporting to the minister on—
(i) the effect of any scheme approved by the minister, which is for the time being in force, on consumers of the regulated product; and
(ii) any complaints made to the committee as to the effect of any such scheme on consumers of the regulated product.

In other words, the British legislators have recognized that the consumer has some rights and some interest in marketing legislation, but under the substantial sections of this bill, the consumer is not recognized. That is a very notable and serious and fundamental omission.

The fourth, and perhaps the most important difference of all between the legislation of Great Britain and this bill, is that in Great Britain the rights and the supremacy of parliament are preserved. Under the British Act a scheme, which must originate with the producers, and be sanctioned by a majority of them, and be not inconsistent with the interests of consumers, goes before both houses of parliament, and the draft of the scheme must be sanctioned by parliament before it is even submitted to a vote of the producers. In this as in so much other legislation which has originated with the government now in office parliament is completely left out of the picture. That is a fundamental and important feature of the proposal now before us. One by one measures are introduced which take away the powers and authority of parliament. I certainly cannot approve, nor do I think my constituents or the producers of this country will approve, of the taking away from parliament of its time-honoured rights and privileges, its function of legislating for and protecting the interests of all classes in the community.

So much by way of introduction to a consideration of the legislation itself. Under this bill, as I have said, a series of orders will be issued to the producers. Perhaps I have dealt with that feature fully enough and need not go further into it. Then what are the objectionable features of the bill from an economic point of view? This is an economic measure. I am dealing with it not on a theoretical basis at all but on a practical basis. To begin with I regard as unnecessary, at least so far as the interests of the producers I represent are concerned, the power to determine the quantity of the regulated products that shall be marketed by any person at any time. I refer to section 4, subsection (1) (a):

The board shall, subject to the provisions of this act, have power

(a) to regulate the time and place of marketing the regulated product, and to determine the manner of distribution and the quantity and quality of grade of the regulated product that shall be marketed by any person at any time, and to prohibit the marketing of any of the regulated product of any grade or quality.

Right here let me say that I think there is a fundamental distinction between the power to regulate quantities and the power to regulate quality. In the Fruit Act we have a provision that no cull apples may be placed upon the market except for processing or some similar purpose. I think it is a sound thing to have authority vested in some governmental or other authority to keep poor quality goods and commodities off the market. It puts the producers on the stretch to produce commodities of good quality; it benefits the consumer because it gives him good articles. It is one indication of the progress of our civilization that we improve the product that goes on the market; therefore I cannot object to a power to regulate quality. But I think that is as far as we should go. When this bill goes further and vests in a board the power to determine the quantity of the regulated product which shall be marketed by any person at any time, I think it goes too far. What is the effect of the regulation of quantity? It simply means that the board will have power to withhold goods from the market in order to create a scarcity value, temporarily enhancing the return to the producer at the expense of the consumer. I refer the minister to the experiments in curtailing production by withholding goods from the market that have been tried in various parts of the world during the past fifteen years. The proceedings of the Canadian Political Science Association of 1933 contain three very able speeches on this question, and if the statements made at that meeting are correct, such experiments have uniformly been failures from the standpoint of the producers themselves. I wonder if members of this house are acquainted with what happened in the rubber industry between 1922 and 1928, when the British producers of rubber, seeing that they were producing seventy-five per cent of the world's output, thought they could do

what they liked with the market for rubber and decided to curtail production. They did so; they enhanced the price for the time being, but whereas at the beginning of the period they were producing seventy-five per cent of the world's rubber, by 1928 they were producing only forty-eight per cent. The control of the world's rubber market passed out of their hands; the Dutch production rose from sixteen to thirty-four per cent of the world's total. Then the British in alarm again threw themselves into the production of rubber in an effort to regain control of the world's market, and there resulted an overproduction in 1928, 1929 and 1930 which caused the greatest glut of rubber in the world's history and ruined plantations all over the world. That is only one example. The same thing happened with regard to coffee in Brazil.

I want to read from a speech of Professor Drummond before the Canadian Political Science Association, found on page 127 of the proceedings of the 1933 meeting. I read at page 130:

> The Stevenson plan is illustrative of the doubtful wisdom of trying to raise prices by the simple expedient of reducing exports. Substantially similar if not more serious results have followed the adoption of the same principle when applied to the marketing of Brazilian coffee. The chief differences seem to be that in the case of coffee government restriction, instead of raising prices, has finally so reduced them and incidentally reduced the governments to such a degree of financial embarrassment that they are now forced to make the best of a very bad job by carrying out monthly a policy of positive wholesale destruction.

Then on this continent we have had instance after instance of attempts to curtail production by withholding goods from the markets. I am not well versed in the operation of the wheat pools in the west, but I have always understood that their plan of withholding wheat from the markets worked out disastrously. I am subject to the judgment of the western members when I say that, but I have always understood that this attempt to take the world by the throat did not work. Following as well as I can the proceedings of the banking and commerce committee, I do not think that the plan followed since of buying wheat and holding it and the government attempting to support the market has been a conspicuous success. I understand that this government are committed to somewhere around $130,000,000 on guarantees for wheat; that they have an enormous quantity of wheat which they dare not put on the market because it would break the market and that if they could get out at present prices the loss would be only between $12,000,000 and $20,000,000; but they cannot get out because of the impossibility of putting the wheat on the market without disastrous consequences. The same thing happened in the United States under the Hoover regime; they attempted to purchase wheat on a large scale and keep it off the market in order to hold the price up. The election literature in the United States shows clearly what the people of the United States thought of that. They gave up the scheme because it worked as the curtailment of production and the withholding of products from the market always works. They may succeed at the outset, but in the end they prove disastrous; it is a case as Professor Drummond suggests of winning a battle but losing the war. That is one principle of this bill, the power to regulate quantity, which I think is essentially wrong.

Coupled with that provision are the provisions for compensation. This goes to the very vitals of the act:

> (c) to compensate any person for loss sustained by exporting, storing or withholding from the market any product pursuant to any determination or order of the board;

I want to give a little picture of how that would work in the apple industry. To make it very concrete and specific, take the variety known as the Ben Davis, not a very high quality apple but one with a good appearance, and produced in Canada in large quantities. The season for marketing, roughly, is from October 15 to March 15. Let us assume that this federation of marketing boards decides to regulate the marketing of Ben Davis apples. First they must find out how many Ben Davis apples there are likely to be in Canada during the season, and they can only do this by sending a small army of investigators around the country, who will go into the orchards, the warehouses and wherever these apples may be graded or stored. They will have to make estimates of the quantity and the quality, that is to say the pack out, so as to estimate the number of barrels of particular grades there will be. They will decide, possibly, that the number is too large to go on the foreign market, that some of the apples should be kept off that market. Then the question comes up of who are to ship, who are to get in the class of persons who ship to that market. They will have to allot quotas to the shippers, and there are so many thousands of small shippers that inevitably there will be a great deal of injustice. The board also will have to say that so many apples will go forward this week, so many, next week and so many the following week during the period from October 15 in the fall

to March 15 in the spring. The shippers who strike the low markets will be aggrieved; the shippers who strike the high market will be satisfied, but those who strike the low markets will want compensation for doing what they could not refuse to do, what they were obliged to do by order of the board.

Then you will have the spectacle of thousands of persons bringing in their affidavits and statutory declarations in order to get compensation. I put that proposition to one gentleman who was speaking in favour of the bill, and he said that was not what was contemplated, that it was compensation from a fund to be provided by the other shippers of Ben Davis apples. In other words there is to be a compulsory pooling of the proceeds. All I can say is that the same principle applies in that case as applies in compensation by the government. I would refer the minister to the experiment of the grape producers in the United States. There are numerous similar instances where all the shippers contribute something to a fund, which fund is paid out to a certain class of the shippers. The Patterson plan in Australia is another example; it is not a success, according to the most recent literature on the subject. That is how this will work out under these compensation provisions.

It seems to me, Mr. Speaker, that merely to describe this situation shows the absolutely unworkability of this act. Perhaps it might be carried out, but if so it will be at tremendous expense. I may say that in the apple industry a scheme of compulsory pooling will put a premium on bad grading, because shippers will desire to get as many No. 1's out of their crop as possible, in order to share in that No. 1 pool. That always has been the result in the past, and undoubtedly it will be the result in the future. That is a provision in the act which I think is unsound. If the minister can give a different interpretation of it or if he can explain it in some other way I should be very glad, but it does seem to me that is exactly how it will work out if this scheme is put into operation at all.

There is another feature to which I should like to refer, and that is the tremendous duplication of facilities that will be brought about. I wonder why this clause was included:

(e) to assist by grant or loan the construction or operation of facilities for preserving, storing, or conditioning the regulated product and to assist research work relating to the marketing of such product;

These are very laudable objects indeed, but cold storage is looked after by the cold storage branch of the Department of Agriculture at the present time; research is attended to by the national research council, so why are we to set up this expensive machinery to do what we have hundreds of civil servants attending to at the present time? This bill not only sets up a very expensive piece of machinery in itself; in addition this machinery duplicates machinery already set up for these very purposes.

My time is drawing to a close and I cannot deal with many other features of this act. I will wait until the bill is discussed in committee to take up some of the other points to which I desire to take exception. I do want to say something now, however, with regard to conditions which exist in that part of the province of Nova Scotia from which I come. I hope I will not bore the members of the house by talking of conditions peculiar to Nova Scotia, but I do want to make a few suggestions as to how I think the objects sought by this bill can be attained in a very much simpler, less expensive and more effective manner so far as my part of that province is concerned, and I offer these suggestions to the minister in all seriousness.

There is no question but that there is a great demand on the part of many of the shippers and producers of apples in Nova Scotia for a marketing board or for some control over the shipment of fruit. That is beyond question, but if I understand the matter correctly it seems to me that what is needed by the apple business in Nova Scotia can be pretty well summed up under three headings without resorting to all this complicated machinery at all. As I tried to say the other night the first is proper inspection. There is an idea prevalent among some persons that the apple crop of Nova Scotia will receive very much better inspection and will be graded and packed a great deal better if we have some marketing boards than would be the case otherwise. That is not so at all. The fruit branch of the Department of Agriculture has charge of the inspection of fruit, and other branches of that department have charge of the inspection and grading of other products. If that work is not being carried out as it should be the department is not doing its duty; that is all. There is a great tendency on the part of many persons throughout the country at the present time to pass new laws and to set up new machinery instead of enforcing the present laws and making use of the present machinery. We have many laws on our statute books at the present time in regard to these matters of inspection, packing and grading, and we have a great deal of machinery as well. But in

the province of Nova Scotia the machinery with regard to inspection did not operate well this year. I want to make it very clear that I am not attacking the inspectors individually. There may have been a dozen reasons why, under existing conditions, the inspectors could not do their duty. They may have been too few in number; they may not have had proper supervision; they may not have had the proper morale instilled into them or the proper impetus given them by their superiors. I do not know the reason, but I do know that the inspection certificates issued for fruit this year could not be depended upon. A great many of the packers, in fact the majority, did well; it was a matter of pride to them to have their products open on the British market so well. But side by side with their fruit was other fruit not so well packed. Whose fault was that? In the first place it was the fault of the shippers, and in the second place it was the fault of the government inspectors, or rather, I should say, of the service. The inspectors may have been overworked; there may have been other reasons, but for some reason this year that service did not function as it should.

That is the greatest problem in the fruit industry in the province of Nova Scotia. That problem can be overcome without a dominion marketing board at all; it should be taken in hand by the fruit branch, and the regulations should be enforced in an effective manner . That is point number one. Number two: By a simple amendment to the Fruit Act the Minister of Agriculture, on the advice of the local board in the province of Nova Scotia, could have the power to keep poor fruit off the British market. That is to say, he could make qualitative regulations as to the export of fruit, rather than go further and attempt to say by what boats the shippers shall send their apples, how much they shall send, in what weeks they shall send them, and so on.

Then, number three: The government should pursue a more liberal and to my mind a more sensible British preference policy than they have since the passing of the Ottawa preference agreements. The policy of the government, so far as British goods are concerned, seems to be an exclusionist policy. They should abandon that stand. If they will encourage trade with Great Britain instead of pursuing a policy which may run us into exclusion from the British market they will do more than they could do in almost any other way for the fruit industry of the province of Nova Scotia. In Nova Scotia they are now talking about the danger of quotas. They refer to Major Elliott, who is attempting to make the United Kingdom self sufficient and who is intimating that certain commodities will be subject to embargo and kept out of the British market. We should do everything possible to encourage freedom of trade between this country and the mother country. That policy would do more than any other to remedy the evils of the fruit situation in the province of Nova Scotia.

I have concluded my observations, Mr. Speaker, on the bill at this stage. I must say that because of the meagreness of the explanation given by the minister it is a difficult stage at which to speak. There may be some reasons for the apparent anomalies in the bill, but standing as it does now it is so bad that I for one do not feel that I can support it.

Hon. CHARLES STEWART (West Edmonton): Mr. Speaker, I must congratulate the hon. members on this side of the house who have preceded me upon their criticisms of this bill. My criticism would be in common with theirs, that while the minister gave us a very fine dissertation upon the marketing of natural products he said very little about the provisions of the legislation under which he purposes carrying on such marketing. I believe one of the difficulties this government are encountering all along the line lies in the fact that they have attempted by way of excessive tariff protection to preserve the price levels in the secondary industries. No attention has been paid the primary industries, with the exception of the assistance they were given by the empire agreements. At the inception of those agreements we were promised that through them very great benefits would accrue to the producers of natural products. We have now had two years of experience with the agreements, and since their inception with very few exceptions there has not been any material benefit, particularly in price levels, to the producers of natural products in Canada. On the contrary wheat prices have gone to the lowest level they have ever reached in the history of Canada, and the producers of that commodity find themselves in a very unfortunate and uncomfortable position.

On the other hand I doubt very much if the excessive tariffs imposed by this government for the protection of the secondary industries have had the desired results, for the very good reason that still over fifty per cent of our population in Canada are engaged in the primary industries. If they are impoverished there is no purchasing power for the products of the secondary industries. True, it may be

pointed out that there is some improvement in the price level, but generally speaking such improvement is not sufficient to be of any particular value in improving the employment situation or the general business conditions throughout the country.

From time to time I see statements published by the statistical branch of the Department of Trade and Commerce indicating that there have been tremendous improvements in economic conditions in Canada. I believe the whole scheme adopted by this government for the purpose of improving prices and improving economic conditions in Canada has up to date been a dismal failure. It is quite true that considerable quantities of lumber have been sold during the present year under the empire agreements, but they have been sold at prices which brought no profits to the producers; on the contrary those sales entailed very heavy losses. It is to be hoped that under manufacturing, wage and other prevailing conditions the cut which will be processed this summer may produce better results than the stocks on hand which had to be sold under depressed circumstances.

It is needless to describe the condition of agriculture. A carry-over of more than 200 million bushels of wheat hangs like a black cloud over the markets of the world. No matter what kind of marketing board the minister sets up, there can be no decided increase in wheat prices and the condition of the wheat farmer will not be greatly improved until, as pointed out by one hon. member, some disposition of this carry-over takes place. I am inclined to agree with the statement of the hon. member who preceded me (Mr. Ilsley) that perhaps in an attempt on the part of certain bodies in Canada to control prices we had the beginning of our difficulties in connection with wheat. To some extent this government is reaping the results of those attempts. I know that as far back as 1929 very serious reports were coming from Great Britain with respect to this matter. We were bound to lose some of the markets we formerly enjoyed for the sale of this very important commodity; I shall not go into details in that connection. No doubt the government made a laudable attempt to prevent an absolute breakdown in the purchasing of our grain, but at the same time there does appear to have been an attempt to keep prices in Canada slightly beyond world prices, a procedure which in my opinion—and I may be wrong—seems to have had the effect of piling up this surplus from year to year. I do not agree with the statement that we cannot sell wheat, or that we cannot sell more wheat than we are selling. We certainly will not sell wheat if we are not willing to take goods in return. I was shocked to-day upon receiving a statement from some of my friends from western Canada who of necessity must import goods. When I saw the details as to the duty, sales and excise tax, and other charges that were paid, and found that duties amounted to more than one-half of the purchase price of the article, it was clear to me that these people would not purchase abroad again. Every time we Canadians refuse to purchase abroad we narrow the opportunity to sell our goods abroad. If we will not buy, we cannot sell. We are frequently told in this house that foreign countries are refusing to take our grain, but I believe that if the Minister of Trade and Commerce (Mr. Stevens), who is a good trader, were given power to say that Canada is willing to take goods from countries that formerly took our wheat, we could make a trade to-day that would mean a great deal to the wheat growers and farmers of western Canada. I am confident of that despite the fact that we are often told in this house that European countries are producing more wheat than they ever did. That is true, but at the same time they have been using our grain for mixing purposes and selling their own lower grades, and I believe that they would be willing again to deal with us on a fair and equitable basis. But we cannot expect that if we continue the imposts on imports that have been levied by this government.

I know some of the precautions that have been taken by this government to prevent the importation even of empire goods. That is very much to be deplored. The British market is the one market we have left for our western producers, but day by day we see it slipping away from us. What is a marketing board going to be able to do in promoting the sale of our products in Great Britain if at the same time there is a feeling in Great Britain, as there undoubtedly is, that they are not getting a square deal from Canada in the matter of imposts upon British goods coming into this country? Such imposts can have nothing but a deterrent effect on trade even within the empire, and of course countries outside the empire are going to trade with countries that are willing to trade with them.

I believe, however, that both for our export and for our domestic business a marketing board properly constituted would be very helpful in the marketing of our natural products. I agree absolutely with everything the Minister of Agriculture said to-night with respect to the spread between what the producer receives and what the consumer pays.

It is altogether too great, and it has been a matter for consideration for a number of years. Many contributing factors come in between the producer and the consumer which it would be very difficult to eliminate, and a marketing board, no matter how well organized, or how well clothed with all the necessary authority, will find it very difficult to wipe out entirely all these in-between costs. True, as the minister has pointed out, marketing conditions have changed completely within the last fifteen or eighteen years. They have changed completely within my lifetime. I remember when I marketed the produce of my farm under exactly the same conditions as the minister described to-night, but I cannot do it to-day, and I doubt very much if I shall ever be able to do it again. Why? Because in our endeavours to protect both the producer and the consumer, to ensure the marketing of a higher quality of goods, we have established an elaborate system of inspection from one end of this country to the other. As was stated by a previous speaker, we know that in every stockyard in Canada there are inspectors of our live stock. Our poultry and poultry products, our milk and other dairy products, are all subjected to inspection before going on the local market. To-day it is not as it was in former days when our wives would go and sell our produce on the market without any inspection whatever. Unfortunately sometimes they were sold short. I do not want to be misunderstood; I am not decrying the value of inspection. I believe it is all to the good, but I merely point out that we have set up this very elaborate system of inspection for practically all our produce going on the domestic market, and this system makes it impossible for me as a producer to avoid certain costs that are inevitably entailed. These costs, of course, must be paid by someone and they usually come back to the producer himself.

But if a reasonable board is set up, an in-between board, that will seek to reduce some of the costs that are entailed to-day and yet maintain all the necessary inspection services, I am all for it. I sincerely believe that a board of that kind could be very helpful. On the other hand, I agree with those hon. gentlemen who have criticized, and to my mind so effectively, the provisions of this bill and have said that we have entirely too much machinery, too much duplication of effort all along the line. I am of the opinion that had Mr. McFarland, who to-day is a marketing board in his own person, equipped with the necessary facilities and supplied with plenty of money to carry on the business, been given control at the very inception of the marketing of our wheat we would not have had so much wheat on our hands as we are carrying in Canada at the present moment.

I do not see that all this elaborate machinery of local boards right back to the producer is needed unless it is for the purpose of making this marketing act compulsory upon those who do not wish to come under its benefits, and therein I foresee serious difficulty. I believe that in British Columbia there is a milk prdoucers' organization comprising all but about ten per cent of the producers, and the complaint is that that ten per cent causes all the difficulty and makes the work of that organization of no effect. Just as I object to compulsory, coercive methods anywhere, I object to the provision of this bill that when a majority of those interested in any given locality decide to organize a marketing board, then by the authority of the minister the remainder of the producers of the community must come in or suffer the consequences, and under some of the provisions of this measure the consequences of refusal on the part of the individual producer are serious. I may be wrong, but in my judgment he will have to submit or go out of business, one or the other. That does not sound very good to what my hon. friends across the way used to call red-blooded Canadians. It does not sound very good to me. I do not think we in Canada have arrived at the stage where we can afford to take action of that sort.

There are a good many provisions in this bill which I do not like. I am not going to traverse the ground which has been covered by hon. gentlemen who have preceded me, but while I am on the compulsory features of the act, when it is realized that by section 9 the minister himself, upon request or otherwise, without consulting the community involved at all, may by order in council impose willy-nilly upon that community a marketing board without any vote on the part of the producers, without the consent of any of them, I think it will be agreed that that is pretty drastic. The minister may think that he requires these drastic provisions. I am bound to say that in my opinion in any community where that is tried the scheme is bound to be a dismal failure; it could not be otherwise, because Canadians will not submit to that kind of thing.

Perhaps the minister will explain when the time comes, but all along I have failed to understand the necessity for so much compulsion being embodied in this bill. Perhaps inherently I am one of those who believe

in freedom and personal liberty. Whatever may be the intentions of my neighbours, I do not like the idea of finding myself having to comply, whether or not I like it, with the carrying on of agriculture along certain defined lines both as to quality and quantity. To-day I have to raise grain of a certain standard of quality, I have to produce bacon of a standard quality or I do not receive the price that I should receive. There is a real incentive to me as an individual to raise the quality of my goods in order that I may receive the highest prices, and that is all to the good. But under this bill if I do not do that I may be told that my goods will not be marketed, that they will be delayed, or that anything may be done with them. I may be allowed to sell only so much and told to hold the rest. Not only is quality involved, but quantity is involved as well. This seems to me to be the most drastic provision of all.

Have conditions come to such a point in Canada that we must be regulated not only with regard to the production of natural products but with regard to the production of our secondary industries? We are to be regulated from the top to the bottom. These are the days of societies and associations for all sorts of purposes. Personal liberty is to go in the interests of the state. This is a splendid socialistic idea but may I say to my hon. friends opposite that it sounds rather curious coming from them. Ever since I have been engaged in political controversy with them they have been the custodians of personal liberty and loyalty. Again I say, have our fiscal and trade policies brought us to such a condition that we find we have a superabundance of labour, a superabundance of natural products and superabundance of secondary industries? Is it not a tragedy of statesmanship when we find ourselves in this unhappy position? We have more goods than we know what to do with, and yet throughout the world millions of people are starving.

The method adopted by the government is curtailment all along the line in order that consumption may catch up with production. We are not the only country in this unfortunate predicament; it appears to be common to the world at large. We seem to be a country willing to adopt the most drastic measures of control. We have swung from a country standing for freedom of individual action to a country which is to be regulated in every regard. We are to be regulated by boards under the authority of the minister in the production of our natural products, and we are to have our secondary industries regulated as well.

I do not think this is the way out. While a properly constituted marketing board, not one as outlined in this bill, could be helpful, I doubt whether it would be of any material benefit. The drastic control provided by this bill may prove to be a boomerang rather than helpful, may do more harm than good. As has been pointed out by the hon. member who preceded me, this has been the result of regulation in other countries. There are many aspects of the bill which I do not like. I do not like the drastic measures which will be employed against me as a farmer if I do not take out a licence and all that that entails. The government pointed out this afternoon that it did not intend to put into execution all the extraordinary provisions of the relief bill, and I do not say that this board will enforce all these regulations. But why set up bugaboos if you do not intend to use the powers provided? Everything the government wants to do can be done after these drastic provisions for dealing with individuals who do not agree to come under the provisions of the bill have been eliminated. I ask the minister to consider this. I agree with practically every word of the minister's statement, but he carefully avoided a discussion of the intimate details of the bill.

Mr. BENNETT: The rules of the house require a discussion of the principle only on second reading.

Mr. STEWART (Edmonton): We did not even discuss the principle.

Mr. BENNETT: Oh, yes.

Mr. STEWART (Edmonton): Then the bill contains very wide provisions because the minister covered the marketing of live stock, of dairy products and of natural products. If the compulsory features of the bill were mentioned, I did not hear them, and yet they are the principal features of the bill. For these reasons I intend to oppose the second reading of the bill.

On motion of Mr. Stirling the debate was adjourned.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

END OF VOLUME II.